

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2017



Front and Back cover

The Crosstown Parkway Extension will be Port St. Lucie's long-anticipated third bridge crossing over the North Fork of the St. Lucie River. It will connect the existing Crosstown Parkway from Manth Lane to U.S. 1. at Village Green Drive. The project is approximately two miles with the bridge being approximately 4,000 feet. The six-lane divided highway and bridge will serve as a multi-modal transportation alternative to include accommodations for automobile, bicycle, pedestrian and public transit. The new bridge will provide an alternate route connecting major east and west corridors within the City. It will reduce travel times and emergency response times, while providing residents with an easy and safe alternate route to travel between U.S. 1 and I-95. The new road will help improve traffic patterns and mobility as well as relieve congestion along Port St. Lucie Boulevard and Prima Vista Boulevard. Construction activities started in early January 2017 with an anticipated completion in Fall 2019. Estimated construction costs are \$87.6 million.

Comprehensive Annual Financial Report

Year Ended September 30, 2017
City of Port St. Lucie, Florida



"A City for All Ages"

Prepared by:
The Finance Department

Listing of City Officials

APPOINTED OFFICIALS

Russ Blackburn..... City Manager

O. Reginald Osenton.....City Attorney

ADMINISTRATION

Patricia RoeblingAssistant City Manager/City Engineer

David Graham Assistant City Manager

Jesus MerejoSpecial Projects Manager/Utility Systems Director

Edwin M. Fry, Jr..... Finance Director/City Treasurer

James Angstadt..... Director of Public Works

Jerome Post.....Director of Human Resources

Renee' MajorDirector of Risk Management

Joel A. Dramis Building Official

Karen PhillipsCity Clerk

William Jones Director of Management Information Systems

Jeff Snyder.....Office of Management and Budget Director

Cheryl Shanaberger Procurement Management Director

Kathleen McAlpine Civic Center Director

Sherman Conrad Parks and Recreation Director

John Bolduc Chief of Police

Patricia Tobin Planning & Zoning Director

Carmen Capezzuto.....Neighborhood Services Director

Kristina Ciuperger Communications Director

Bridget Kean..... CRA Director



City of Port St. Lucie City Council

Mayor

Gregory J. Oravec



Vice Mayor

Shannon M. Martin
District 3



Councilwoman

Stephanie Morgan
District 1



Councilman

John Carvelli
District 2



Councilwoman

Jolien Caraballo
District 4





"A City for All Ages"

Introductory Section

- ◆ Table of Contents
- ◆ Letter of Transmittal
- ◆ Organizational Chart
- ◆ Government Finance Officers Certificate
of Achievement for Excellence in
Financial Reporting



"A City for All Ages"

CITY OF PORT ST. LUCIE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Table of Contents.....	i-iv
Letter of Transmittal.....	v
Organizational Chart.....	xiii
Certificate of Achievement for Excellence in Financial Reporting.....	xiv

FINANCIAL SECTION

REPORT OF INDEPENDENT AUDITOR.....	AUD-1
---	--------------

MANAGEMENT’S DISCUSSION AND ANALYSIS.....	MDA-1
--	--------------

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

Statement of Net Position.....	1
Statement of Activities.....	2

Fund Financial Statements

Government Fund Financial Statements

Balance Sheet – Governmental Funds.....	4
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	6
Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds.....	7
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	9

Proprietary Fund Financial Statements

Statement of Net Position.....	10
Statement of Revenues, Expenditures, and Changes in Net Position.....	11
Statement of Cash Flows.....	12

Fiduciary Fund Financial Statements

Balance Sheet – Fiduciary Funds.....	14
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	15

Notes to the Financial Statements.....	16
---	-----------

TABLE OF CONTENTS

Page

REQUIRED SUPPLEMENTAL INFORMATION:

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund.....	68
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Community Redevelopment Agency Fund.....	70
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – South West Annexation District I Collection Fund.....	71
Notes to Schedule of Revenues and Expenditures Budget and Actual – General Fund and Major Special Revenue Funds.....	72
Municipal Police Officers’ Retirement Trust Fund – Schedule of Changes in Net Pension Liability and Related Ratios.....	73
Municipal Police Officers’ Retirement Trust Fund – Schedule of Contributions.....	75
Other Post-Employment Benefits - Schedule of Changes in Net OPEB Liability and Related Ratios.....	77
Other Post-Employment Benefits – Schedule of Contributions	78
Other Post-Employment Benefits – Schedule of Investment Returns	79

COMBINING STATEMENTS AND SCHEDULES:

Nonmajor Government Funds

Combining Balance Sheet – Nonmajor Governmental Funds.....	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	81
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	82
Combining Balance Sheet – Nonmajor Capital Project Funds.....	87
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Project Funds.....	93
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Obligation Bonds Debt Service Fund.....	94
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Crosstown Parkway Fund.....	95
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Road & Bridge Fund.....	96
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Street Light Fund.....	97
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Law Enforcement Impact Fee Fund.....	98
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Government Finance Fund.....	99
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Building Department Fund.....	100
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Water & Sewer Phase I Assessment Collection Fund.....	101
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Water & Sewer Phase II Assessment Collection Fund.....	102
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Water & Sewer Assessment Collection Fund USA 3&4.....	103
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Water & Sewer Assessment Collection Fund USA 5-6-7A.....	104

TABLE OF CONTENTS

	Page
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Water & Sewer Assessment Collection Fund USA 9	105
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Neighborhood Services Fund	106
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – South Lennard Road Assessment Collection Fund	107
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Riverpoint Assessment Collection Fund	108
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Tesoro Special Assessment Collection Fund	109
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Glassman Assessment Collection Fund	110
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – East Lake Village Assessment Collection Fund	111
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – St. Lucie Land Holding Assessment Collection Fund	112
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – City Center Assessment Collection Fund	113
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Combined Assessment Collection Fund	114
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Economic Development Fund	115
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Wyndcrest (DDMG) Fund	116
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – CDBG Entitlement Fund	117
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Local Housing Assistance Trust Fund	118
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Neighborhood Stabilization Fund	119
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – National Pollution (NPDES) Fund	120
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Law Enforcement Forfeiture Trust Fund	121
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Conservation Trust Fund	122
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Solid Waste Fund	123

Fiduciary Funds

Combining Statement of Fiduciary Net Position – Retirement Trust Funds	124
Combining Statement of Changes in Fiduciary Net Position – Retirement Trust Funds	125

STATISTICAL SECTION

Financial Trends

Net Position by Component	126
Changes in Net Position	128
Fund Balances of Governmental Funds	132
Changes in Fund Balances of Governmental Funds	134

TABLE OF CONTENTS

Page

Revenue Capacity

Assessed Value of Taxable Property.....	136
Property Tax Rates.....	137
Principal Property Taxpayers.....	138
Special Assessment Districts.....	139
Property Tax Levies and Collections.....	140

Debt Capacity

Ratios of Outstanding Debt by Type.....	142
Ratios of General Bonded Debt Outstanding.....	144
Computation of Direct and Overlapping Bonded Debt.....	146
Revenue Bond Coverage – Local Option and Sales Tax.....	147
Revenue Bond Coverage – Stormwater Utility.....	148
Revenue Bond coverage – Water and Sewer Utility System.....	150

Demographic and Economic

Population Statistics.....	152
Demographic and Economic Statistics.....	153
Principal Employers in St. Lucie County.....	154
Construction Values and Bond Deposits.....	155

Operating Information

Employees – Full Time Equivalents by Function/Program.....	156
Departmental Operating Indicators.....	157
Capital Asset Statistics.....	159
Utility System Statistics.....	160

COMPLIANCE SECTION

Single Audit Reports & Schedules

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Accounting Standards.....	161
Schedule of Expenditures of Federal Awards and State Financial Assistance.....	163
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.....	164
Report of Independent Auditor on Compliance for Each Major Federal Awards Program and State Financial Assistance Project and on Internal Control Over Compliance Required by Uniform Guidance and Chapter 10.550, Rules of the Auditor General.....	165
Schedule of Findings and Questioned Costs – Federal Programs and State Financial Assistance Programs For the year ended September 30, 2017.....	167
Schedule of Prior Audit Findings.....	170
Corrective Action Plan.....	171
Independent Auditor's Management Letter.....	172
Report of Independent Accountant on Compliance With Local Government Investment Policies.....	175



CITY OF PORT ST. LUCIE



Finance Department
Edwin M. Fry, Jr., Finance Director/City Treasurer

April 3, 2018

Honorable Mayor, Members of the
City Council, and Citizens of the
City of Port St. Lucie, Florida

The Comprehensive Annual Financial Report (CAFR) of the City of Port St. Lucie, Florida for the fiscal year ended September 30, 2017, is submitted herewith, fulfilling the requirements of the City Charter, Florida Statutes and the Rules of the Auditor General of the State of Florida. The organization, form, and contents of this report plus the accompanying financial statements and statistical tables are prepared by the Finance Department of the City in accordance with generally accepted accounting principles (GAAP) for state and local governments and as prescribed by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

The City is responsible for establishing and maintaining a comprehensive internal controls framework that is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, the reliability of financial records for preparing financial statements, and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. It is our belief that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a comprehensive understanding of the City's financial activity have been included.

Florida Statutes require an independent certified public accountant's financial audit of cities in the State. The City's financial statements have been audited by Cherry Bekaert LLP, a firm of licensed certified public accountants. The independent audit was performed to provide reasonable assurance that the financial statements are free of material misstatement for the fiscal year ended September 30, 2017.

The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City's financial statements for the fiscal year ended September 30, 2016 are fairly presented in conformity with GAAP. The independent auditor's report is located at the front of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The Single Audit Section is the last section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A compliments this letter of transmittal and should be read in conjunction with it.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities), as found in the basic financial statements, report information on all of the non-fiduciary activities of the primary government and its component units. The purpose of the government-wide financial statements is to provide a consolidated financial picture of all City activities. Governmental activities which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely mostly on fees and charges for service for support.

The Reporting Entity and Services

The City of Port St. Lucie is the most populous City in St. Lucie County. It was incorporated in 1961 and is located near the Atlantic Ocean on the southeast coast of Florida. It is situated in the southern part of St. Lucie County which lies between Indian River County to the north and Martin County to the south. The City currently occupies 120 square miles. The population as reported in the 2010 Census was 164,603 and the estimated population of the City as of April 1, 2017 was 181,284 (information supplied by the State of Florida Office of Economic & Demographic Research). In the early 2000's, the City was considered the fastest growing community in both the state and the country. The City is growing at a more sustainable pace and per the latest population estimates; the City is the 8th largest City in the State. The City of Port St. Lucie is empowered to levy a property tax on both real and personal property located within its boundaries. It is also empowered by state statutes to extend its corporate limits by annexation, which it has done from time to time.

Form of Government

The City of Port St. Lucie is strategically located 100 miles north of the City of Miami, 50 miles north of the City of West Palm Beach and 120 miles south of the City of Orlando. The City is served by three major north-south Florida highways: Interstate 95, the Florida Turnpike and U.S. Highway No. 1, and is located near a seaport, an international airport and has railway access. Port St. Lucie is the spring training home of the New York Mets major league baseball team and home of the St. Lucie Mets. The Professional Golf Association has a home in Port St. Lucie at PGA Village and has built a state of the art PGA learning center along with three outstanding golf courses. The Indian River State College, and Keiser University have facilities located within Port St. Lucie, providing excellent higher education opportunities.

The City was created under the Laws of Florida Act 61-2721 and operates under a Council/Manager form of government. The City Council, comprised of four council members and the mayor, is the principal legislative and governing body of the City. Council members and the mayor serve four year terms with staggered elections held every two years.

The City Manager is the Chief Administrative Officer of the City and is responsible to the City Council. The City Manager oversees the day-to-day operations, makes policy recommendations to the City Council and performs other duties assigned to him by the City Council including the preparation of the annual budget and the City's five-year capital improvement plan.

The City provides a broad range of municipal services including police protection, code inspection and compliance, planning and zoning, community and economic development, construction and maintenance of transportation facilities, recreational and cultural activities, emergency preparedness management, water and wastewater utilities, stormwater management and general and administrative support. Independent taxing agencies provide fire protection and education services.

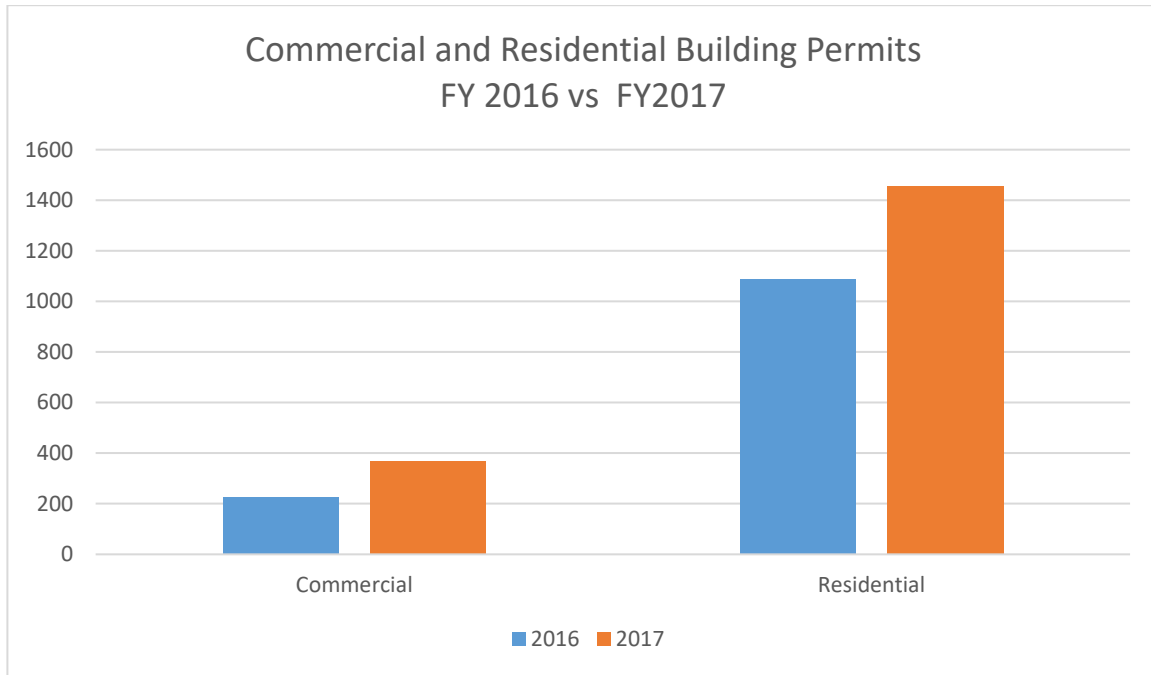
Financial Reporting Entity

This report includes all funds of the City that are controlled by or are dependent on the City Council. The City also exercises oversight and financial responsibility for the Port St. Lucie Governmental Finance Corporation, the Port St. Lucie Community Redevelopment Agency and the Port St. Lucie Municipal Police Officers' Retirement Trust Fund. Accordingly, these activities are included in the City's financial statements. Additional information on these three legally separate entities can be found in Note I - A in the notes to the financial statements.

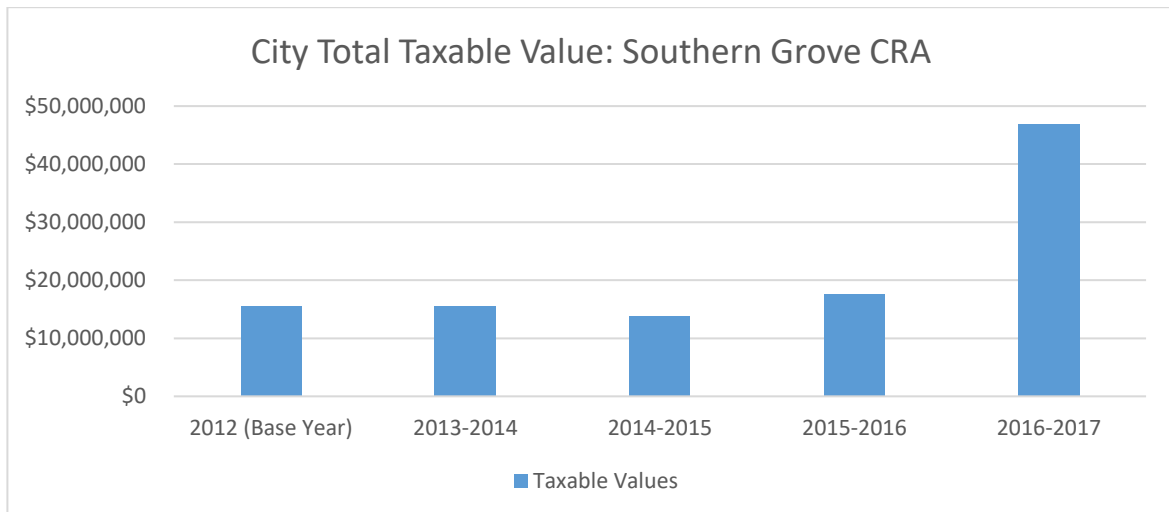
Annual budgets for all funds of the City, except Capital Projects Funds, are adopted by the City Council each year. The annual budget serves as the foundation for the City's financial planning and control. The budget is legally enacted through the passage of an ordinance by City Council on or before the end of September of the fiscal year currently ending. The level of budgetary control is the department. The City Manager is authorized to transfer budgeted amounts within departments of any fund. Revisions that alter the budgeted totals of any department require approval of the City Council. Encumbrance accounting is utilized in governmental funds in order to reserve the encumbered portion of the appropriation. Encumbrances outstanding at year end are reported as reservations to fund balance and are re-appropriated as part of the following year's budget.

Commercial Development

The City of Port St Lucie has experienced significant growth in new residential and commercial construction. Commercial permits experienced a 62% increase between 2016 and 2017 with a total of 226 permits issued in 2016 versus 367 permits issued in 2017. Residential permits increased by 34% between 2016 and 2017 with a total of 1,089 permits issued in 2016 versus 1,455 permits issued in 2017.



Although commercial permit activity increased throughout the City, the expansion of Martin Health System in Tradition and increased commercial construction in the Southern Grove CRA contributed to the growth of commercial building permits. Based on the approved entitlements and completed commercial development in Southern Grove, the taxable value has more than doubled between fiscal years 2015-2016 and 2016-2017 with a taxable value of \$17,594,066 for 2015-2016 and \$46,947,023 for 2016-2017.



Employment Sectors

According to CareerSource Research Coast, the largest employment sector in the City of Port St Lucie is Health Care and Social Assistance, employing 6,148 workers. The next largest sectors in the region are Retail Trade (6,036 workers) and Accommodation and Food Services (3,882). The employment sectors in Port St Lucie with the highest average wages per worker are Utilities (\$85,433), Management of Companies and Enterprises (\$60,289), and Public Administration (\$54,565). Regional sectors with the best job growth (most moderate job losses) over the last 5 years are Health Care and Social Assistance (+1,066 jobs), Retail Trade (+911), and Construction (+818). It is projected within the next 10 years, employment in Port St Lucie will expand by 4,221 jobs. The fastest growing sector in the region is expected to be Health Care and Social Assistance with a +2.7% year-over-year rate of growth. The strongest forecast by number of jobs over this period is expected for Health Care and Social Assistance (+1,868 jobs), Retail Trade (+687), and Construction (+376).

Housing Market

There are a number of planned residential developments which accounts for 35% of new residential construction of single family homes. However, 65% of new residential construction of single family homes are infill housing located in established neighborhoods. According to the Florida Realtors Association the median sales price of a single family home in St Lucie County increased 10.8% from \$185,000 in 2016 to \$205,000 in 2017. Likewise, the median sales price of townhouses and condos in St Lucie County increased by 17.2% from \$162,950 in 2016 to \$191,000 in 2017. The City's low crime rate, improved grades of local schools and affordable market rate housing are contributing factors leading to an increase in housing demand in Port St Lucie.

Single Family Homes	2017	2016	% Change
Closed Sales	467	498	-6.2%
Closed Sales (Paid in Cash)	109	126	-13.5%
Median Sale Price	\$205,000	\$185,000	10.8%
Median % Original List Price Received	96.7%	96.9%	-0.2%
Median Days to Contract	34	39	-12.8%
Inventory (Active Listings)	1,592	1,602	-0.6%
Months' Supply of Inventory	3.5	3.5	0.0%

Townhouses/Condos	2017	2016	% Change
Closed Sales	101	109	-7.3%
Closed Sales (Paid in Cash)	61	57	7.0%
Median Sale Price	\$191,000	\$162,950	17.2%
Median % Original List Price Received	95.4%	93.9%	1.6%
Median Days to Contract	59	83	-28.9%
Inventory (Active Listings)	441	524	-15.8%
Months' Supply of Inventory	4.5	5.2	-13.5%

Source – Florida Realtors Association

Strategic Plan

The Port St. Lucie City Council continues to utilize strategic planning to guide the future of the city. In June of 2017 the City Council adopted an updated Strategic Plan that identifies seven main goals along with strategic objectives and actions to support the overall goals:

- Safe, Clean and Beautiful;
- Vibrant Neighborhoods;
- Quality Education for All Residents;
- Diverse Economy and Employment Opportunities;
- High Quality Infrastructure and Facilities;
- Culture, Nature and Fun Activities and
- High Performing City Government Organization

The City Council adopted a vision for the future that Port St. Lucie has Great Neighborhoods; excellent Educational Opportunities for lifelong learning; a Diverse Local Economy and Employment options; Convenient Transportation; unique Natural Resources including the St. Lucie River; and Leisure Opportunities for an Active Lifestyle. Ultimately, the vision is that Port St. Lucie is a Safe, Beautiful, and Prosperous City for All People –Your Hometown. The work of the City is centered in the City's mission:

“to provide exceptional municipal services that are responsive to the community and to plan for smart and balanced growth while acting in a financially responsible manner.”

Budget Outlook

After many years of declining property values and less than favorable economic indicators, the local economy continues to show signs of recovery. For the fifth year in a row the City's taxable value has increased and the year-over-year percentage of increase has grown each year (from 1.7% in 2013-2014 to 11.1% in 2017-2018). This generates an additional \$3.2 million in property tax revenue for the 2017-2018 fiscal year over the prior year. As a result of the increase in assessed values, the City Council reduced tax rates by 0.1000 mills for Fiscal Year 2017-2018, reducing the total City tax rate from 6.5000 to 6.4000.

In the General Fund, five major revenues (property taxes, sales taxes, 10% electric utility tax, 6% electric franchise fee, and communications services tax) make up 83% of the total general fund revenues and are anticipated to increase 4.5%, primarily due to the increase in property tax values.

Over the past year, the Port St. Lucie area has seen a positive trend in the commercial building permits issued and the permits are up 62% over the prior year. There are an additional 254 new businesses that opened during the Fiscal Year 2016-17. Building permits are at their highest level in the past 9 years, certificates of occupancy are up 26.6% compared to last year, and the median sales price for a traditional sale was up 7%. Existing businesses such as Tradition Medical Center has completed a major addition and City Electric Supply is in the process of substantial expansions. These all will provide additional revenue and employment opportunities in the City.

The long range General Fund model assumes a modest level of taxable value increase going into future years and increases to other economic revenues. Fund Balance Contingencies are being budgeted at 17% or greater. This sound financial picture is allowing the City Council to enhance the level of service

being provided and they are able to begin addressing the deferred maintenance issues which were largely ignored during the Great Recession. With the City continuing to be in a strong position to fund its financial obligations, it is anticipated that the City's credit ratings will achieve higher classifications.

Current and Long-Term Capital Improvements

The City of Port St. Lucie Capital Improvement Program is a multi-year plan used to identify needed capital projects and to coordinate financing and timing of the capital additions necessary to compliment the growth of the City and to comply with requirements of the Growth Management Act. Ongoing funding sources for capital improvements include a portion of the ad valorem taxes levied each year by the City, a 0.2313 county-wide tax levy dedicated to parks, the 6 cent, 2 cent, and 3 cent local option gas taxes imposed by County Ordinance, road impact fees, and parks impact fees. Grants and bond proceeds are also used to fund specific capital improvements, such as the various sidewalks projects and the Crosstown Parkway. Major capital projects planned for the next five years are estimated to cost \$131.6 million in total and include:

- \$ 87 million Crosstown Parkway Extension and Bridge
- \$ 23.6 million Westport Wastewater Plant upgrades
- \$ 6.0 million New Sidewalks
- \$ 7.2 million Riverwalk Boardwalk Construction and other improvements
- \$ 12.3 million Street Resurfacing Projects

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Port St. Lucie, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2016. This was the twenty-sixth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2016. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide and a communications device.

I take this opportunity to extend my appreciation to all City employees throughout the organization who have the daily responsibility of maintaining the financial records on which this report is based.

Special recognition is given to the employees of the Finance Department who worked with dedication and diligence in completing this report.

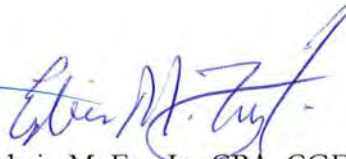
Appreciation and recognition is extended to the accounting firm of Cherry Bekaert LLP for the professionalism and cooperation shown during the performance of the engagement and for the assistance and advice they provided during the course of their audit. The continued interest and support of the City Council and City Department Directors in the planning and guidance of the financial operations of the City is greatly appreciated.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Russ Blackburn".

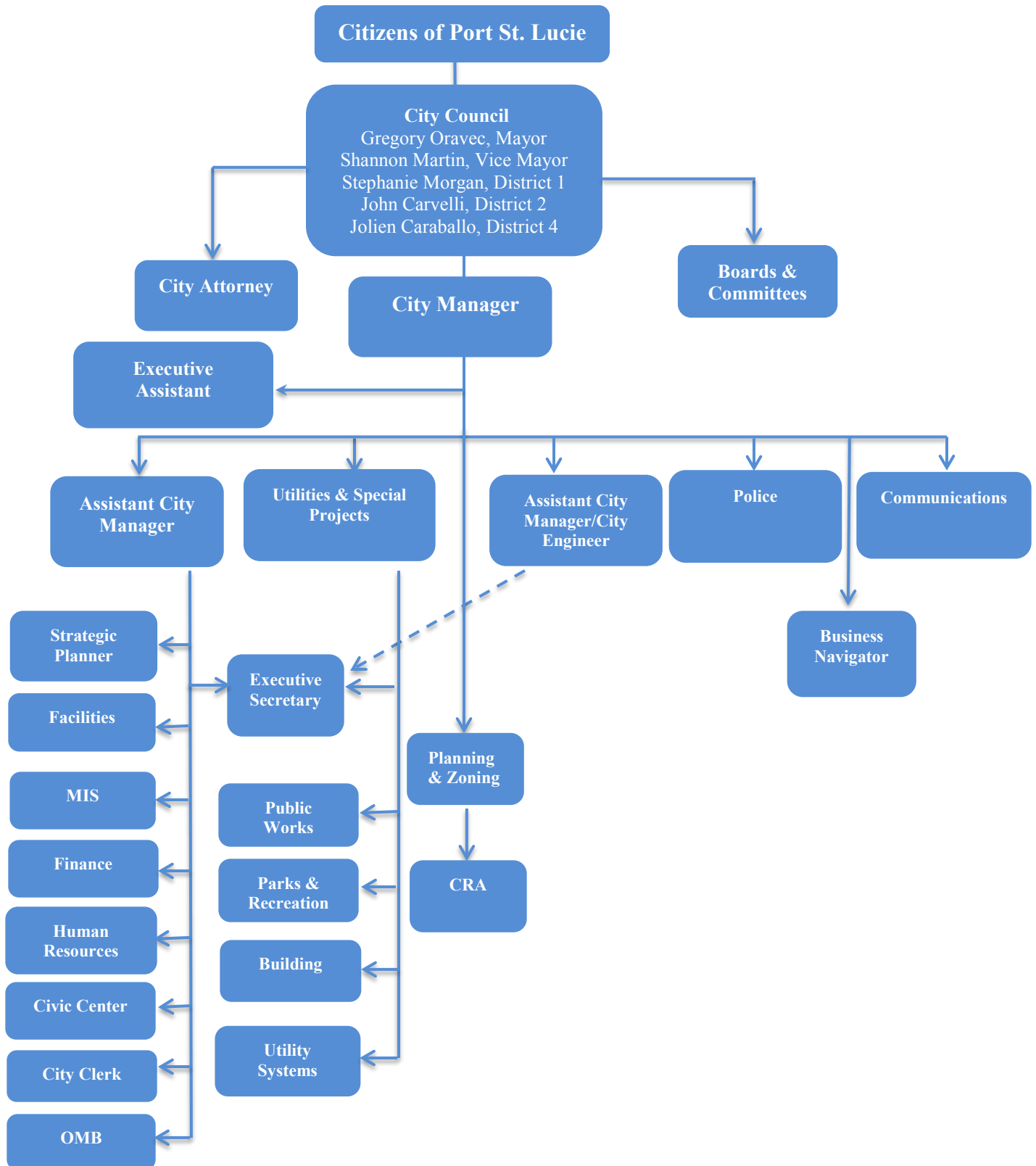
Russ Blackburn

City Manager

A handwritten signature in blue ink, appearing to read "Edwin M. Fry, Jr.".

Edwin M. Fry, Jr., CPA, CGFO

Finance Director/City Treasurer





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Port St. Lucie
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morill

Executive Director/CEO

Financial Section

Report of Independent Auditor

To the Honorable Mayor and Members of the City Council
City of Port St. Lucie, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Port St. Lucie, Florida (the "City"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Port St. Lucie Municipal Police Officers' Retirement Trust Fund ("MPORT"), a component unit of the City, which represent 53% and 51%, respectively, of the assets and additions of the pension trust funds. Those statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Port St. Lucie MPORT, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As described in Note I.E. and Note IV.F. to the financial statements, effective October 1, 2016, the City adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information, as provided in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining statements and schedules and statistical section, as provided in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, Rules of the Auditor General, and is also not a required part of the basic financial statements.

The combining statements and schedules and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional

procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and schedules and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Cheryl Behrman" followed by a stylized flourish.

Orlando, Florida
April 2, 2018

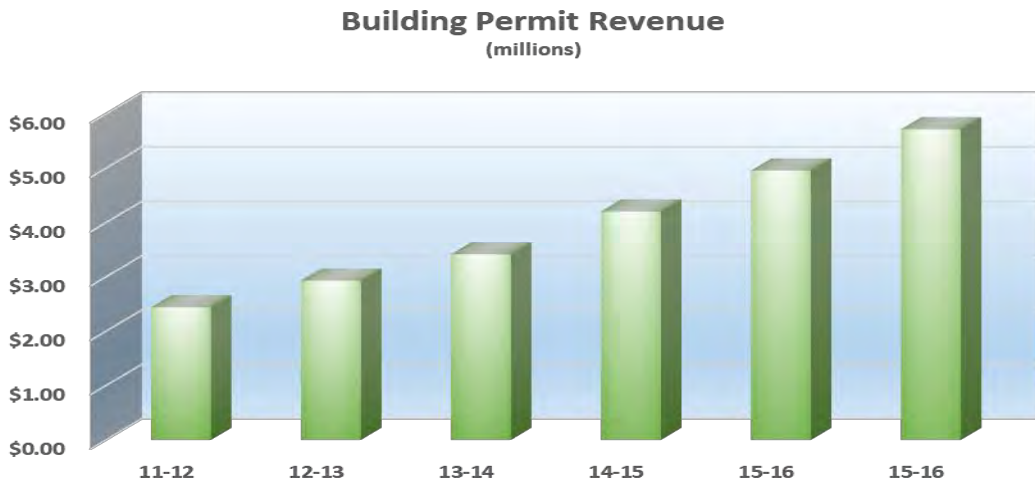
Management's Discussion & Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis is a narrative overview and analysis of the financial activities of the City of Port St. Lucie for the fiscal year ended September 30, 2017. Readers are encouraged to consider the information presented here in conjunction with the basic financial statements and notes to the financial statements.

Financial Highlights

Management is pleased to report FY 2016-2017 was another good year for the City. The economy continues to expand. Commercial and residential construction continues to increase and generated an additional \$1.4 million in building permit revenues. An additional 1,000 water and sewer connections and a 1.5% increase in rates resulted in a \$3.5 million increase in charges for services for the Utility System. Taxable values increased 9.8%, allowing the City Council to reduce the millage rate and still see an increase of \$4 million in ad valorem tax revenues.



The financial strength of the City helped absorb the costs of Hurricane Matthew in October and Hurricane Irma in September without any impact on funding current operations. Total damages for Hurricane Matthew were just under \$4.8 million with debris and labor costs representing \$4.6 million. Of the total \$4.8 million, \$3.9 million is eligible for reimbursement by FEMA and the State. As of the end of September, \$1.4 million was spent for damages related to Hurricane Irma. Despite the unanticipated additional expenditures, the General Fund ending fund balance at year end exceeded the required 20% of expenditures.

In the previous fiscal year, Vaccine and Gene Therapy Institute (VGTI) ceased operations and the City was liable for paying the annual debt service on the bonds and funding the costs of the Bond Trustee and the Court Appointed Receiver. In August 2017, the Court transferred ownership of the Vaccine and Gene Therapy Institute (VGTI) building from the Court Appointed Receiver to the City. The City requested the transfer of the building to reduce the cost of maintaining the building and the Court Appointed Receiver's costs.

Total net position increased \$20 million from the prior year. Net position of Governmental Activities increased \$10 million since the transfer of the VGTI building to the City was recorded as an asset held for resale. Growth of the housing supply continues to be strong which directly impacts the revenues and costs of City programs which support that growth. For the Utility System, this growth resulted in an increase of \$8.7 million in net position, the main factor contributing to the Business-type Activities net position increase of \$10 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected assessments and pension benefits earned but not paid).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, physical environment, transportation, economic environment, human services and culture and recreation. The business-type activities include water and sewer, stormwater management and a golf course.

Government-wide Financial Analysis

Governmental activities total assets decreased by \$26.6 million during the fiscal year. The primary cause of the decrease was a reduction of special assessments receivables of \$46.2 million due to collections of \$24.4 million and a reduction of the Southwest Annexation special assessments by \$21.8 because of refinancing the special assessment bonds last year. Two items were responsible for most of the \$9 million increase in deferred outflows, 1) a \$7.8 million increase in loss on defeasance due to bond refundings and 2) the requirement to record a \$4.4 million deferred outflow for Other Post Employment Benefits. Total liabilities decreased by \$29.9 million due to principal payments and principal reductions because of refunding bonds. Unrestricted net position at September 30, 2017, was a deficit of \$68.2 million compared to a deficit of \$65.2 million at September 30, 2016.

Business-type activities total assets decreased by \$5.1 million during the fiscal year, primarily due to a decrease in the net book value of capital assets. Depreciation of capital assets results in a decrease of the capital assets net book value. The City does have a renewal and replacement program in place which will provide funds for the replacement of capital assets in future years. Total liabilities decreased by \$16.0 million because of \$11.1 million principal payments on outstanding debt. Total net position increased \$10 million primarily due to the \$6.9 million Utility System operating net increase.

City of Port St Lucie Net Position on September 30, 2017 (In Thousands)						
	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Assets:						
Current and other assets	\$ 356,554	\$ 389,168	\$ 109,520	\$ 100,407	\$ 466,074	\$ 489,575
Capital assets	<u>689,258</u>	<u>683,282</u>	<u>642,603</u>	<u>656,788</u>	<u>1,331,861</u>	<u>1,340,070</u>
Total assets	1,045,812	1,072,450	752,123	757,195	1,797,935	1,829,645
Deferred outflows	35,198	26,235	16,564	18,114	51,762	44,349
Liabilities:						
Long-term liabilities outstanding	466,358	502,233	427,215	444,586	893,573	946,819
Other Liabilities	<u>34,402</u>	<u>27,608</u>	<u>25,968</u>	<u>24,625</u>	<u>60,370</u>	<u>52,233</u>
Total Liabilities	500,760	529,841	453,183	469,211	953,943	999,052
Deferred inflows	13,757	12,676	5,174	5,776	18,931	18,452
Net Position:						
Net investment in capital assets	322,655	281,319	233,881	235,996	556,536	517,315
Restricted	312,051	340,019	28,007	24,816	340,058	364,835
Unrestricted (deficit)	<u>(68,213)</u>	<u>(65,170)</u>	<u>48,442</u>	<u>39,510</u>	<u>(19,771)</u>	<u>(25,660)</u>
Total net position	<u>\$ 566,493</u>	<u>\$ 556,168</u>	<u>\$ 310,330</u>	<u>\$ 300,322</u>	<u>\$ 876,823</u>	<u>\$ 856,490</u>

Governmental activities program revenues for FY 2016-2017 increased \$3.8 million from the previous year due to an increase in building permit fees (\$1.4 million) and capital grants for Crosstown Parkway (\$17 million) offset by a \$14 million decrease in special assessment collections. General revenues increased \$18.0 million primarily due to a 9.8 percent increase in taxable values and recording the \$12 million net realizable value of the Florida Center for Biosciences building transferred from the Court Receiver to the City as a miscellaneous revenue. Program expenses for FY 2016-2017 increased \$21.3 million from the previous year. The increase is primarily a result of recording the \$21.8 million reduction of the Southwest Annexation District special assessments as an expense since the special assessment was recorded as revenue in 2007.

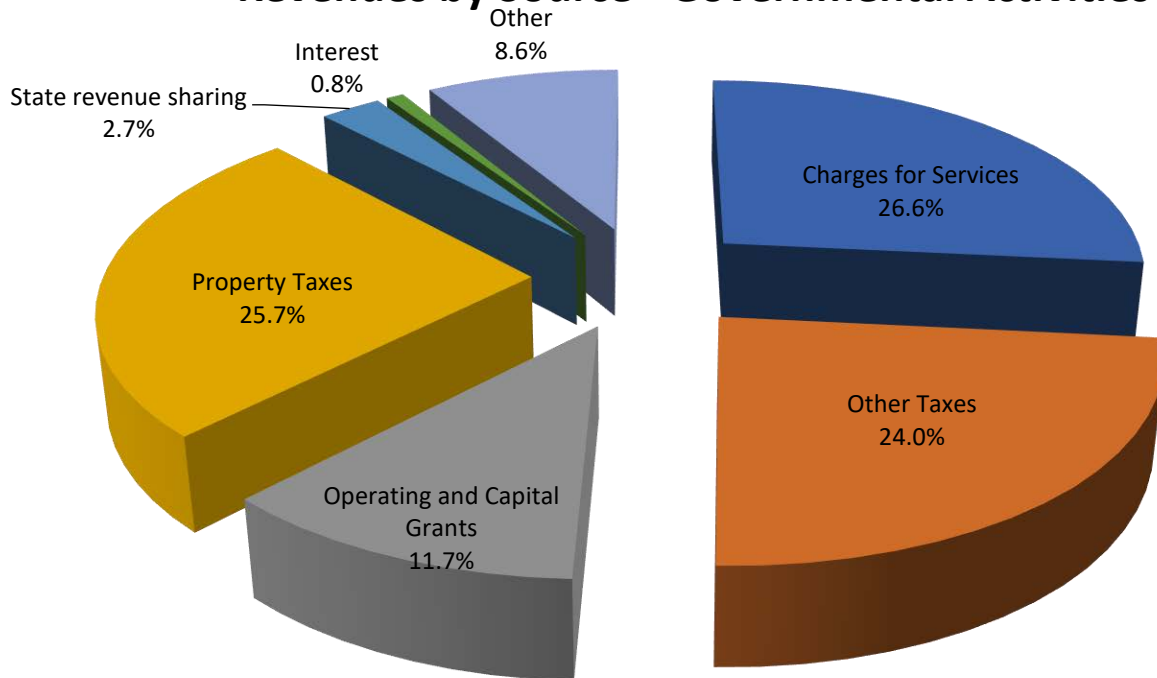
Business-type activities program revenues for FY 2016-2017 increased \$4.9 million from the previous year due to an increase in the customer base and capital contributions from developers. Program expenses were relatively unchanged compared to the previous year, with the Water and Wastewater System experiencing a slight decrease in operational costs while the Stormwater Utility experienced a slight increase in operational costs. The increase in net position of \$8.5 million was driven by the increase in Utility System revenues while reducing operating costs.

City of Port St Lucie Changes in Net Position on September 30, 2017 (In Thousands)						
	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Program revenues:						
Charges for services	\$ 52,787	\$ 58,557	\$ 94,655	\$ 92,256	\$ 147,442	\$ 150,813
Operating grants and contributions	4,182	3,787	-	15	4,182	3,802
Capital grants and contributions	18,982	9,851	15,821	13,290	34,803	23,141
General revenues:						
Property taxes	51,159	47,389	-	-	51,159	47,389
Other taxes	47,595	46,071	-	-	47,595	46,071
State revenue sharing	5,390	4,837	-	-	5,390	4,837
Interest income	1,547	977	1,827	1,497	3,374	2,474
Other revenues	17,052	5,395	-	-	17,052	5,395
Total revenues	198,694	176,864	112,303	107,058	310,997	283,922
Expenses:						
General government	19,262	16,729	-	-	19,262	16,729
Public safety	50,403	47,097	-	-	50,403	47,097
Physical environment	40,849	18,128	-	-	40,849	18,128
Transportation	32,962	37,055	-	-	32,962	37,055
Economic environment	14,516	12,274	-	-	14,516	12,274
Human Services	1,157	1,085	-	-	1,157	1,085
Culture and recreation	14,123	12,769	-	-	14,123	12,769
Interest on long-term debt	13,576	20,425	-	-	13,576	20,425
Water and wastewater	-	-	79,677	83,380	79,677	83,380
Stormwater	-	-	22,313	20,162	22,313	20,162
Golf course	-	-	1,826	1,832	1,826	1,832
Total expenses	186,848	165,562	103,816	105,374	290,664	270,936
Decrease in net position before transfers	11,846	11,302	8,487	1,684	20,333	12,986
Transfers	(1,521)	(1,179)	1,521	1,179	-	-
Changes in net position	10,325	10,123	10,008	2,863	20,333	12,986
Net position - beginning - restated	556,168	546,045	300,322	297,459	856,490	843,504
Net position - ending	\$ 566,493	\$ 556,168	\$ 310,330	\$ 300,322	\$ 876,823	\$ 856,490

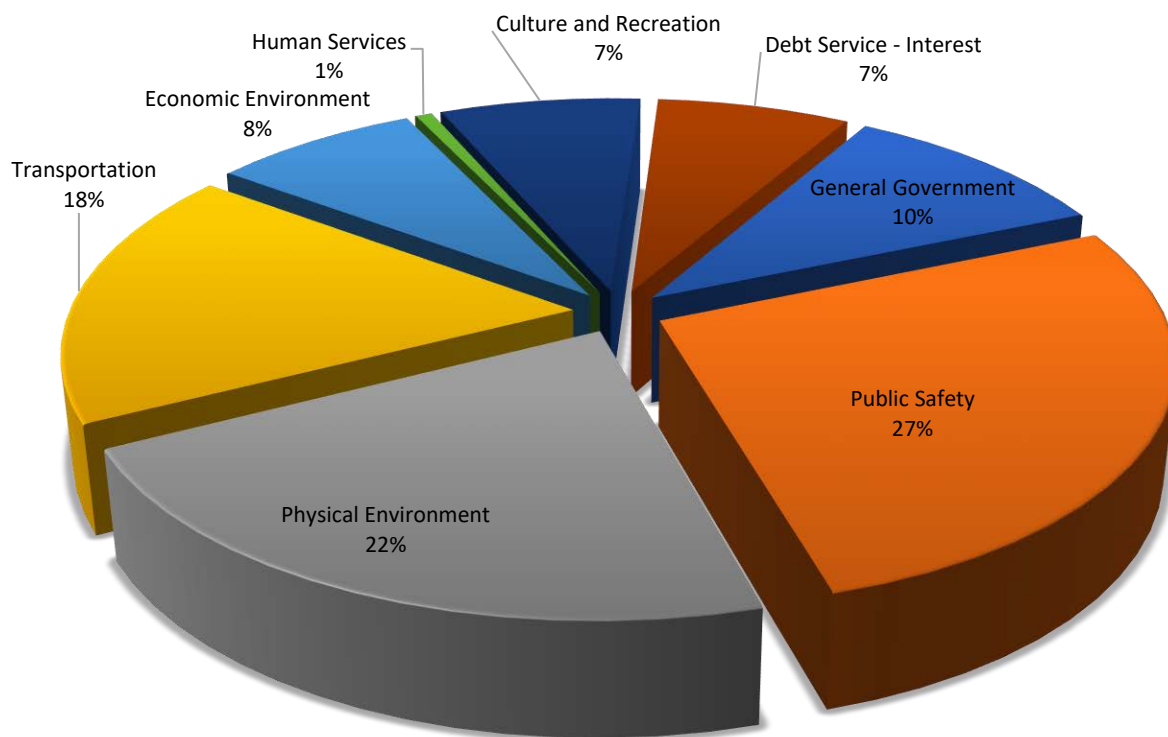
As shown in the following pie chart, 76.3% of governmental activities revenues are from three primary sources:

- Charges for Services (26.6%), such as solid waste and infrastructure assessments, building permits, licenses and recreation fees.
- Other taxes (24.0%), such as gas taxes, sales taxes, communications services taxes, business taxes, franchise taxes and utility taxes.
- Property taxes (25.7%). Taxable values increased 9.8% for FY 2016-2017 and the City Council decreased the tax rate from \$5.4096 to \$5.2807 per \$1,000 of taxable value for operating purposes and maintained a tax rate of \$1.2193 per \$1,000 of taxable value for debt service payments on the General Obligation Bonds.
- Other revenues increased significantly because of the title transfer for the Florida Center for Biosciences building from the Court Receiver to the City. The City is actively marketing the building and reports the building as an asset held for resale in the Prepaid and other assets line in the Statement of Net Position.

Revenues by Source - Governmental Activities



Governmental Program Expenses



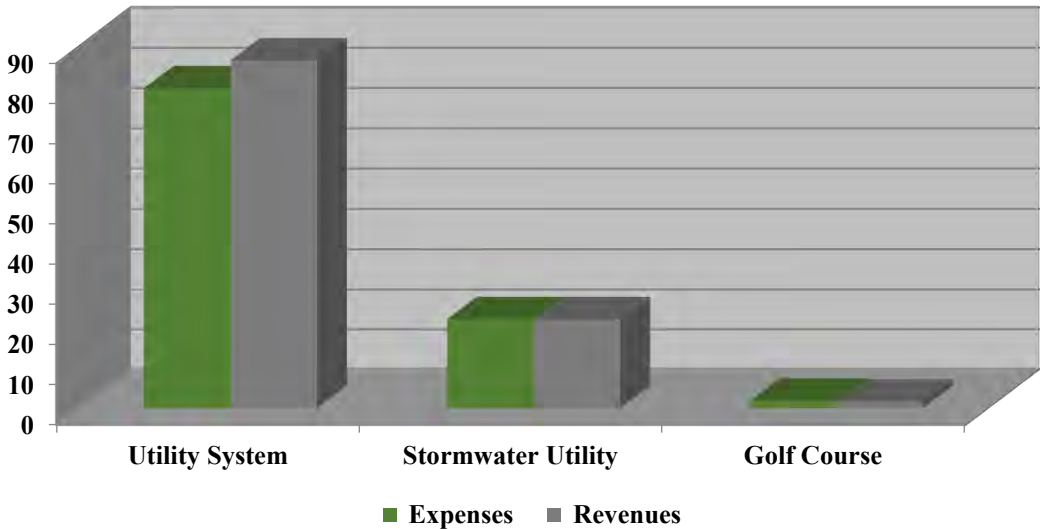
As shown in the governmental program expenses pie chart, Public Safety was 27% of all governmental expenses, followed by Physical Environment at 22%. Public Safety includes the Police Department and Building Department, two areas that received additional resources to meet the rising demand for services. Physical Environment expenses increased \$22.7 million. The City refunded the Southwest Annexation Special Assessment District Bonds and reduced the total assessments by \$21.8 million. Since the special assessments were recorded as revenue when first levied in 2008, the reduction in the assessments must be reported as an expense.

Business-type activities. Business-type activities program revenues are 64% of the total program revenues received by the City. The Utility System receives over 75% of all business-type program revenues.

Key elements of the business-type activity net position increases and decreases are as follows:

- The City’s Water and Sewer Utility received an additional \$1.4 million in connection fees and capital contributions from new utility customers and developers. Growth of the customer base resulted in \$2.5 million more in charges for services. In spite of the increased operating costs due to expansion of the customer base, Utility System program expenses decreased \$3.7 million, primarily due to a reduction of \$5.9 million of interest expense due to refunding long-term debt.
- The City’s Stormwater Utility Fund had an increase in net position of \$1.0 million. Program revenues increased \$1.1 million due to an increase in the customer base and a \$5 increase in the annual assessment. The increase in operating expenses was \$2.2 million because of increased maintenance costs and customer growth.
- Net position of the City's Golf Course declined \$234,000. The decline is a result of depreciation expense, which is not covered by current operating charges.

Expenses & Program Revenues - Business Type Activities
(in millions)



Financial Analysis of the City's Funds

Fund financial statements. A *Fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the City's funds can be divided into three categories: governmental, proprietary and fiduciary.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

The City maintains 37 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Debt Service Fund, Community Redevelopment Agency Fund, Crosstown Parkway Fund, and Southwest Annexation District 1 Special Assessment Collection Fund, all of which are considered to be major funds. Data from the other 32 governmental funds are combined into a single, aggregated presentation.

Fund balance is segregated between non-spendable and spendable components. The segregation of the equity section is designed to indicate the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the fund can be spent. The five components of fund balance are as follows:

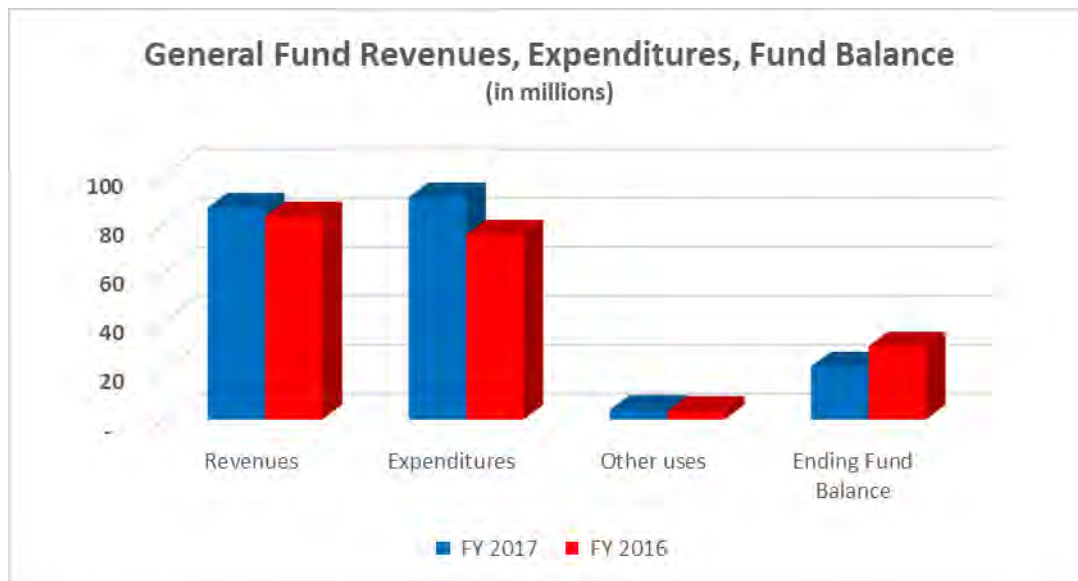
- *Non-spendable:* Amounts not in spendable form such as inventory and pre-paid items.

Spendable Fund balances:

- *Restricted:* Spendable resources which are restricted by external legal restrictions such as bond covenants and state and federal grants.
- *Committed:* Spendable resources which are committed by ordinances of the City Council and contracts approved by the City Council.
- *Assigned:* Spendable resources which are assigned by the City Council to specific uses such as capital projects and amounts to cover anticipated revenue shortfalls in the ensuing fiscal year.
- *Unassigned:* Spendable resources which can be used for any City purpose. In the general fund, it represents the cash carry forward into the next year's budget.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$125 million, a decrease of \$4 million from the prior year. The primary cause of the reduction was an \$8.2 million decrease in the fund balance of the General Fund.

The *General Fund* is the chief operating fund of the City. At the end of the current fiscal year, total fund balance of the General Fund was \$21.6 million. As a measure of the General Fund's liquidity, it may be useful to compare total fund balances to total fund revenues and expenditures. The City feels it is a prudent financial policy to maintain at least a 20% fund balance. The City's total fund balance represents 25% of revenues and 23.8% of expenditures in the General Fund.



The fund balance of the *General Fund* decreased by \$8.2 million during the current fiscal year. Total revenues increased by \$3.6 million and total expenditures increased by \$15.3 million compared to the prior fiscal year. The primary changes in revenues were:

- A 9.2% increase in taxable values generated an increase of \$2.9 million in property taxes.
- Population growth and new construction generated an increase of \$1.4 million.
- Greater compliance with building codes led to a \$690,000 decrease in code violation fines, a good sign that many of the unmaintained vacant houses are now occupied and maintained.

The primary changes in expenditures were:

- Hurricane Matthew in October and then Hurricane Irma in September cost the City \$6.2 million for debris removal and overtime wages. Reimbursement for Hurricane Matthew was approved by FEMA in late August and disbursement of the funds is pending final approval by the State. Reimbursement for Hurricane Irma is pending approval by FEMA.
- City Council approved full payment of \$7.3 million to pay-off the City Center special assessment balances on properties owned by the City.

In December 2016, general obligation refunding bonds were issued to refund the outstanding 2005 and 2006 general obligation bonds. The reduction in debt service expenditures and the increase in taxable values resulted in a \$1.4 million increase of the *Debt Service Fund's* fund balance.

The decrease of \$2.1 million in the *Crosstown Parkway Fund's* fund balance is a result of the construction project starting in February 2017.

The *SW Annexation District 1 Collection Fund* increased its fund balance by \$1.9 million because debt service costs for the fiscal year were reduced due to the issuance of the refunding bonds in July 2016. Debt service costs going forward will be \$6.9 million annually.

The Non-Major governmental funds increased their fund balances by \$3.1 million from the prior fiscal year. Major revenue and expenditure changes are as follows:

Revenues:

- Increased Public Building Impact fees - \$863,000
- City Center special assessment pay-offs - \$7.3 million
- USA 3&4 special assessment collections more than debt service requirements - \$3.3 million

Expenditures:

- Additional Building Department staff to meet the increased demand for construction plan reviews, inspections, etc. - \$900,000.
- Pre-payment of principal and interest on the City Center Bonds - \$6.8 million.
- Tesoro special assessment district debt service paid in full using excess special assessment collections - \$2 million.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for the Water and Sewer Utility Operating Fund, the Stormwater Utility Fund and the Golf Course Fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for the Medical Trust Fund. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Utility Fund, the Stormwater Utility Fund and the Golf Course Fund as the City has elected to report all the enterprise funds as major funds in the proprietary fund financial statements.

- The Utility System Fund had net operating income of \$5.4 million due to customer growth and a 1.5% rate increase. Net Position increased by \$8.8 million compared to a net increase of \$843,000 the prior year. Increased construction activity and developer improvements donated to the utility resulted in an additional \$1.4 in contributions.
- The Stormwater Utility Fund had net operating income of \$2.9 million in FY 2017 compared to net operating income of \$4.1 million in FY 2016. Increased operating costs for the system contributed to the decrease in operating income. Net position increased \$1.0 million compared to a \$2.4 million increase in FY 2016.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

General Fund Budgetary Highlights

The increase in the final revenue budget over the original budget was nominal, with a total increase, excluding unassigned fund balance, of 0.6 % or \$547,300.

The increase in the final expenditure budget over the original budget was \$17.9 million, a 21.7% increase. Increases for costs related to the hurricanes (\$7.8 million), pay-offs for the City Center special assessments (\$4.8 million) and VGTI operation and maintenance (\$2.5 million) were the primary factors for the increase in appropriations.

Total revenues were under the final budget by \$239,000, a 0.2% variance. Total expenditures were \$7.3 million less than the final budget, a 7.3% variance primarily as a result of vacant positions due to staff turnover. With the recovery of the economy, employees are finding other job opportunities and it is taking longer to fill vacant positions.

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2017 amounted to \$1,331,860,747 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, infrastructure, machinery and equipment, plant, water and sewer system, intangible assets and construction in progress.

Construction in progress for major governmental capital assets during the current year includes the following:

- Crosstown Parkway Infrastructure (Segment 1) \$50,521,739.

The Crosstown Parkway Extension Project will provide a new bridge approximately two miles long. The Crosstown Parkway extension will be Port St. Lucie's third east-west crossing. The extension will cross over the North Fork of St. Lucie River, connecting the existing Crosstown Parkway from Manth Lane, east to US Highway 1 at Village Green Drive. The Construction of the bridge is anticipated to begin in 2017.

Developers contributed infrastructure to the utility system totaling \$4.8 million.

City of Port St Lucie Capital Assets (net of depreciation) (In Thousands)						
	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Land	\$ 123,483	\$ 123,309	\$ 55,694	\$ 55,669	\$ 179,177	\$ 178,978
Buildings	77,400	80,315	3,275	3,436	80,675	83,751
Improvements other than buildings	29,978	31,374	1,284	1,445	31,262	32,819
Machinery and equipment	11,109	8,635	12,525	12,655	23,634	21,290
Intangible	119	97	585	674	704	771
Infrastructure	390,333	408,684	23,592	24,315	413,925	432,999
Plant	-	-	218,431	224,002	218,431	224,002
Water and sewer system	-	-	324,573	332,829	324,573	332,829
Construction in progress	56,836	30,869	2,644	1,763	59,480	32,632
Total capital assets	<u>\$ 689,258</u>	<u>\$ 683,283</u>	<u>\$ 642,603</u>	<u>\$ 656,788</u>	<u>\$ 1,331,861</u>	<u>\$ 1,340,071</u>

Additional information on the City's capital assets can be found in the Notes to the Financial Statements, Note III-D, Capital Assets.

Bonded Debt. At the end of the current fiscal year, the City had total bonds outstanding (excluding discounts and premiums) of \$765.7 million. Of this amount, \$146.9 million is special assessment debt for which the City is liable in the event of default by the property owners subject to the assessment. The remainder of the City debt represents bonds secured solely by specified revenue sources.

City of Port St Lucie Outstanding Debt - General Obligation, Special Assessment and Revenue Bonds (In Thousands)						
	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
General Obligation Bonds	\$ 104,940	\$ 108,560	\$ -	\$ -	\$ 104,940	\$ 108,560
Special Assessment Bonds	146,940	187,175	-	-	146,940	187,175
Revenue Bonds	116,880	103,065	396,930	408,075	513,810	511,140
Total	<u>\$ 368,760</u>	<u>\$ 398,800</u>	<u>\$ 396,930</u>	<u>\$ 408,075</u>	<u>\$ 765,690</u>	<u>\$ 806,875</u>

During the current fiscal year, the City's bonds and certificates of participation outstanding decreased by \$41.2 million. The significant decrease in outstanding debt was a result of a few factors:

- Excess special assessment collections were used for the early call of 10,355,000 of special assessment bonds.
- With municipal bonds interest rates reaching historic lows, the City refunded \$97,350,000 of outstanding bonds with the proceeds from \$90,295,000 of new refunding bonds.

The City continuously looks to refinance outstanding debt where a 5% savings of the outstanding bonds and at least a \$400,000 future cash flow savings can be realized. In November 2016, the City issued the \$30,875,000 2016 Public Service Tax Refunding Revenue Bonds to redeem the \$32,360,000 outstanding balance of the 2008 Series Certificates of Participation. This refunding resulted in a 12.86% savings of the outstanding certificates and a future cash flow savings of \$4,725,392. In December 2016, the City issued the \$37,075,000 General Obligation Refunding Bonds to redeem the \$10,985,000 outstanding

balance of the 2005 General Obligation Bonds and the \$26,715,000 outstanding balance of the 2006 General Obligation Bonds. This refunding resulted in an 11.65% savings of the outstanding bonds and a future cash flow savings of \$6,079,171. In April 2017, the City issued the \$22,345,000 2017 Taxable Special Obligation Revenue Refunding Bonds to redeem the \$27,290,000 outstanding balance of the 2008A Series Special Assessment Bonds. This refunding resulted in an 14.62% savings of the outstanding bonds and a future cash flow savings of \$15,743,297.

All the City's outstanding bonds are rated by at least one of the nationally recognized rating agencies. As the City moved forward with the issuance of the refunding bonds, S&P Global ratings provided a rating on the refunding bonds. For the Public Service Tax Refunding Revenue Bonds, S&P assigned a rating of "AA-". For the General Obligation Refunding Bonds, S&P maintained the "AA-" rating previously assigned. For the Taxable Special Obligation Revenue Refunding Bonds, S&P assigned a rating of "A+". Ratings on the City's bonds are as follows:

Bond Type	Standard & Poor's	Moody's	Fitch
General Obligation	AA-	A1	AA-
Special Assessment	A+	A2	No rating
Special Revenue	A+	A2	No rating
Public Service Tax	AA-	No rating	No rating
Community Redevelopment	A+	A2	No rating
Taxable Special Obligation	A+	No rating	No rating
Stormwater Revenue	A+	A2	No rating
Utility Revenue	A+	A2	A+

Special assessment bonds are issued by the City to construct capital infrastructure improvements in specific areas of the City. Twenty year assessments on benefiting properties are pledged for the payment of principal and interest on the special assessment bonds. As those assessments are pre-paid in full, the City uses the extra funds to make additional principal payments on the bonds. The City redeemed with early calls the following special assessment bonds:

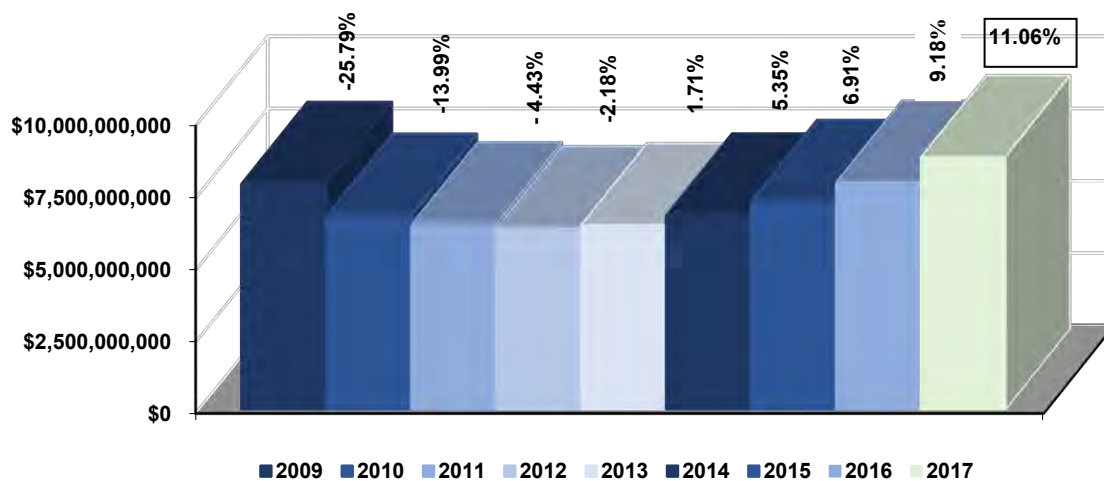
Special Assessment District	Amount Called
USA 5, 6, &7	\$ 2,800,000
USA 9	300,000
River Point	450,000
Glassman	800,000
St Lucie Land Holding	1,000,000
Combined Peacock & Lowry	280,000
Tesoro	4,725,000

Additional information on the City's long-term debt can be found in the Notes to the Financial Statements, Note III-G, Long-term Liabilities.

Economic Factors and Next Year's Budget and Rates

For the fifth year in a row the City's taxable value has increased and the year-over-year percentage of increase has grown each year (from 1.71% in 2013-2014 to 11.06% in 2017-2018). This generates an additional \$3.2 million in property tax revenue for the 2017-2018 fiscal year over the prior year. As a result of the increase in assessed values, the City Council reduced tax rates by 0.1000 mills for Fiscal Year 2017-2018, reducing the total City tax rate from 6.5000 to 6.4000.

City of Port St. Lucie - Property Valuation



In the General Fund, five major revenues (property taxes, sales taxes, 10% electric utility tax, 6% electric franchise fee, and communications services tax) make up 83% of the total general fund revenues and are anticipated to increase 4.5%, primarily due to the increase in property tax values.

Over the past year, the Port St. Lucie area has seen a positive trend in the commercial building permits issued and the permits are up 62% over the prior year. There are an additional 254 new businesses that opened during the Fiscal Year (FY) 2016-17. Building permits are at their highest level in the past 9 years, certificates of occupancy are up 26.6% compared to last year, and the median sales price for a traditional sale was up 7%. In addition, Tradition Medical Center has completed a major addition and City Electric Supply is in the process of substantial expansions. These all will provide additional revenue and employment opportunities in the City.

While the community enjoys a positive economic outlook regarding new business, commercial, and residential growth, it also demands responsiveness in the delivery of quality City services. This FY 2017-18 budget respects where we were during the economic recession, when the City reduced staffing and services, and deferred vehicle replacement, maintenance and repairs, and acknowledges where we need to be; judiciously addressing staffing levels, capital improvements, and funding in critical areas.

The three priorities in developing this adopted budget include:

- Maintain current levels of service - improve in response to demand;
- Maintain the City's infrastructure, equipment, facilities, services and programs -make improvements in critical areas of concern; and

- Address deferred maintenance by unwinding budget-balancing decisions made during the Recession in a manner that is sensible and responsive to long-range planning.

The long range General Fund model assumes a modest level of taxable value increase going into future years and increases to other economic revenues. Fund Balance Contingencies are being budgeted at 17% or greater. This sound financial picture is allowing the City Council to enhance the level of service being provided and they can begin addressing the deferred maintenance issues which were largely ignored during the Great Recession.

The City's long-term debt has been reduced as a result of principal payments and refinancing from a high of more than \$1.042 billion debt in FY 2009-10 to a projected \$793 million for the FY 2017-18. An incredible reduction of 23.9% over this time period.

The adopted FY 2017-2018 budget designates nearly \$1.7 million in reserves, over and above the debt service principal payments of \$27.3 million, for the sole use of reducing the outstanding long-term debt when the governmental activities bonds are callable.

Based on the current Crosstown Bridge project budget, we do not believe that we will need to issue any additional debt due to better than anticipated costs for right-of-way acquisition in partnership with the Florida Department of Transportation. This will allow us to focus on debt reduction. With the City continuing to be in a strong position to fund its financial obligations, it is anticipated that the City's credit ratings will achieve higher classifications.

Additionally, the City again increased the annual Stormwater charge by \$5.00 per residential unit, per year to enhance and maintain the City's excellent stormwater system. The Utility Department increased the water and sewer rates by 1.5% each or an increase of \$1.31 per month for the average residential customer.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 121 S.W. Port St. Lucie Boulevard, Port St. Lucie, Florida, 34984-5099.



"A City for All Ages"

Basic Financial Statements



"A City for All Ages"

CITY OF PORT ST. LUCIE, FLORIDA

Statement of Net Position September 30, 2017

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in pooled cash and investments	\$ 121,602,528	\$ 48,928,420	\$ 170,530,948
Receivables	212,787,695	17,592,398	230,380,093
Internal balances	(446,537)	446,537	-
Prepaid and other assets	12,805,284	6,377,675	19,182,959
Restricted:			
Restricted equity in pooled cash and investments	9,805,095	36,175,896	45,980,991
Capital assets, net of depreciation	508,938,626	584,265,146	1,093,203,772
Capital assets, not depreciated	180,319,103	58,337,872	238,656,975
Total assets	1,045,811,794	752,123,944	1,797,935,738
Deferred outflows			
Loss on bond defeasance	21,299,216	14,096,751	35,395,967
Pensions	9,464,442	-	9,464,442
Other post employment benefits	4,434,405	2,466,842	6,901,247
Total deferred outflows	35,198,063	16,563,593	51,761,656
Liabilities			
Accounts payable	13,175,241	3,059,402	16,234,643
Unearned revenue	1,503,837	2,691,986	4,195,823
Payable from restricted assets	3,277,005	8,169,600	11,446,605
Long-term liabilities due within one year	16,446,349	12,046,953	28,493,302
Long-term liabilities due in more than one year	436,519,652	421,698,274	858,217,926
Net other post employment benefits	9,436,562	5,517,033	14,953,595
Net pension liability	20,401,703	-	20,401,703
Total liabilities	500,760,349	453,183,248	953,943,597
Deferred inflows			
Pensions	4,460,126	-	4,460,126
Other post employment benefits	9,296,570	5,173,875	14,470,445
Total deferred inflows	13,756,696	5,173,875	18,930,571
Net Position			
Net investment in capital assets	322,655,075	233,881,814	556,536,889
Restricted for:			
Debt service	214,708,990	6,483,080	221,192,070
Capital projects	56,562,714	21,430,984	77,993,698
Transportation	6,318,018	-	6,318,018
Protective inspections	10,388,946	-	10,388,946
Housing assistance	2,778,561	-	2,778,561
Economic development	15,030,993	-	15,030,993
Other purposes	6,262,671	-	6,262,671
Claims	-	92,234	92,234
Unrestricted (deficit)	(68,213,156)	48,442,302	(19,770,854)
Total net position	\$ 566,492,812	\$ 310,330,414	\$ 876,823,226

The notes to the financial statements are an integral part of this statement.

CITY OF PORT ST. LUCIE, FLORIDA

Statement of Activities Year Ended September 30, 2017

Program Revenues				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
General Government	\$ 19,262,405	\$ 2,274,296	\$ 49,400	\$ -
Public Safety	50,403,218	10,192,150	301,608	-
Physical Environment	40,848,525	30,624,284	15,000	-
Transportation	32,961,563	3,014,814	-	18,731,881
Economic Environment	14,516,362	3,484,472	3,740,747	250,000
Human Services	1,156,793	48,870	-	-
Culture and recreation	14,123,356	3,148,521	75,717	-
Debt service - Interest	13,575,313	-	-	-
Total governmental activities	<u>186,847,535</u>	<u>52,787,407</u>	<u>4,182,472</u>	<u>18,981,881</u>
Business-type activities:				
Utility System	79,676,615	70,751,728	-	15,820,783
Stormwater Utility	22,313,572	22,311,000	-	-
Golf Course	1,826,357	1,592,256	-	-
Total business-type activities	<u>103,816,544</u>	<u>94,654,984</u>	<u>-</u>	<u>15,820,783</u>
Total primary government	<u>\$ 290,664,079</u>	<u>\$ 147,442,391</u>	<u>\$ 4,182,472</u>	<u>\$ 34,802,664</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PORT ST. LUCIE, FLORIDA

Statement of Activities Year Ended September 30, 2017

	<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Primary Government</u>		
	Governmental Activities	Business- type Activities	Total
	\$ (16,938,709)	\$ -	\$ (16,938,709)
	(39,909,460)	-	(39,909,460)
	(10,209,241)	-	(10,209,241)
	(11,214,868)	-	(11,214,868)
	(7,041,143)	-	(7,041,143)
	(1,107,923)	-	(1,107,923)
	(10,899,118)	-	(10,899,118)
	(13,575,313)	-	(13,575,313)
	(110,895,775)	-	(110,895,775)
	-	6,895,896	6,895,896
	-	(2,572)	(2,572)
	-	(234,101)	(234,101)
	-	6,659,223	6,659,223
	(110,895,775)	6,659,223	(104,236,552)
General revenues:			
Property Taxes	51,158,614	-	51,158,614
Franchise & Utility Taxes	22,223,228	-	22,223,228
Communications Service Tax	4,975,531	-	4,975,531
Local Business Tax	1,910,943	-	1,910,943
Half Cent Sales Tax	7,368,151	-	7,368,151
State Revenue Sharing- Unrestricted	5,389,689	-	5,389,689
Local Option Gas Tax	9,820,740	-	9,820,740
Insurance Premium Tax	1,296,741	-	1,296,741
Interest	1,546,657	1,827,095	3,373,752
Miscellaneous	17,052,072	-	17,052,072
Transfers	(1,521,451)	1,521,451	-
Total general revenues and transfers	121,220,915	3,348,546	124,569,461
Change in Net Position	10,325,140	10,007,769	20,332,909
Net position - beginning, restated	556,167,672	300,322,645	856,490,317
Net position - ending	<u>\$ 566,492,812</u>	<u>\$ 310,330,414</u>	<u>\$ 876,823,226</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Balance Sheet
Governmental Funds
September 30, 2017**

	General Fund	Debt Service Fund	Community Redevelopment Fund
Assets			
Equity in Pooled Cash and Investments	\$ 22,539,559	\$ 2,529,708	\$ 85,666
Accounts Receivable	3,211,410	-	-
Assessments Receivable	-	-	-
Due From Other Funds	193,431	-	-
Due From Other Governmental Units	5,306,456	548	-
Prepaid Items	43,765	-	619
Deposits	79,597	-	-
Inventories	99,291	-	-
Restricted Equity in Pooled Cash and Investments	-	-	-
Total assets	<u>\$ 31,473,509</u>	<u>\$ 2,530,256</u>	<u>\$ 86,285</u>
Liabilities, deferred inflows, and fund balances			
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 2,709,185	\$ -	\$ 479
Accrued Salaries and Wages	2,336,136	-	4,073
Due To Other Funds	-	-	-
Unearned Revenue	1,276,408	-	-
Deposits Payable	161,288	-	-
Retainage Payable	-	-	-
Total liabilities	<u>6,483,017</u>	<u>-</u>	<u>4,552</u>
Deferred inflows:			
Unavailable Revenue	<u>3,391,281</u>	<u>-</u>	<u>-</u>
Total deferred inflows	<u>3,391,281</u>	<u>-</u>	<u>-</u>
Fund balance:			
Nonspendable	218,834	-	-
Restricted	-	2,530,256	81,733
Committed	2,519,112	-	-
Assigned	173,907	-	-
Unassigned	<u>18,687,358</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>21,599,211</u>	<u>2,530,256</u>	<u>81,733</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 31,473,509</u>	<u>\$ 2,530,256</u>	<u>\$ 86,285</u>

The notes to the financial statements are an integral part of this statement.

Crosstown Parkway Fund	SW Annexation District 1 Collection Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 21,149,408	\$ 2,966,019	\$ 66,040,478	\$ 115,310,838
-	-	706,168	3,917,578
-	125,204,627	71,533,494	196,738,121
-	-	-	193,431
4,891,034	41,555	1,892,403	12,131,996
-	-	262	44,646
-	-	11,032	90,629
-	-	332,600	431,891
-	6,795,113	3,009,982	9,805,095
<u>\$ 26,040,442</u>	<u>\$ 135,007,314</u>	<u>\$ 143,526,419</u>	<u>\$ 338,664,225</u>
\$ 2,453,627	\$ -	\$ 3,442,763	\$ 8,606,054
-	-	345,781	2,685,990
-	-	193,431	193,431
-	-	95,921	1,372,329
-	-	177,500	338,788
39,008	-	147,701	186,709
<u>2,492,635</u>	<u>-</u>	<u>4,403,097</u>	<u>13,383,301</u>
-	125,204,627	71,705,947	200,301,855
-	125,204,627	71,705,947	200,301,855
-	-	14,206	233,040
23,547,807	9,802,687	40,514,266	76,476,749
-	-	11,935,010	14,454,122
-	-	14,953,893	15,127,800
-	-	-	18,687,358
<u>23,547,807</u>	<u>9,802,687</u>	<u>67,417,375</u>	<u>124,979,069</u>
<u>\$ 26,040,442</u>	<u>\$ 135,007,314</u>	<u>\$ 143,526,419</u>	<u>\$ 338,664,225</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position
September 30, 2017**

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances: governmental funds balance sheet	\$ 124,979,069
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$1,083,056,336 and the accumulated depreciation is \$393,798,607.	689,257,729
Assets held for resale are not reported in governmental funds. This is the estimated net value of the Research facility recorded as an asset held for resale.	12,000,000
Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds. Long-term liabilities at year end consist of:	(463,662,398)
Bonds Payable	\$368,760,000
Compensated Absences	\$9,237,211
Nonexchange financial guarantee	\$55,826,922
Net Other Post Employment Benefits	\$9,436,562
Net pension liability	\$20,401,703
Governmental funds record bond insurance costs as expenditures when these costs are first incurred. Unamortized bond insurance costs must be included as an prepaid item in the government-wide financial statements.	238,118
Governmental funds do not report a liability for accrued interest until it is due and payable. Accrued interest must be reported as a liability in the government-wide financial statements.	(3,156,765)
In fund financial statements, governmental fund types recognize discounts and premiums during the current period as other financing uses. In the government-wide statements, discounts and premiums are applied against bonds payable.	(19,141,868)
Deferred inflows related to pensions and other post employment benefits are not financial resources and therefore are not reported in the governmental funds.	(13,756,696)
Liabilities for earned but unavailable revenues are not reported in the funds, but are reported in the statement of net position.	200,301,855
The difference between the amount required to repay previously issued debt in a refunding transaction and the amount of the old debt is reported as a deferred outflow of resources in the government-wide financial statements.	21,299,216
Deferred outflows related to pensions are not financial resources and therefore are not reported in the governmental funds.	13,898,847
The internal service fund is used by management to charge the cost of employee health insurance. The current assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	4,235,705
Net position of governmental activities	<u>\$ 566,492,812</u>

The notes to the financial statements are an integral part of this statement.



"A City for All Ages"

CITY OF PORT ST. LUCIE, FLORIDA

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds Year Ended September 30, 2017

	General Fund	Debt Service Fund	Community Redevelopment Fund	Crosstown Parkway Fund
Revenues				
Taxes	\$ 57,689,767	\$ 9,287,753	\$ -	\$ -
Licenses and Permits	10,237,089	-	-	-
Intergovernmental	12,191,790	-	1,235,776	17,585,374
Charges for Services	3,078,891	-	-	-
Human Services Fees	48,870	-	-	-
Fines and Forfeitures	1,129,995	-	-	-
Interest on Investments	367,604	50,078	1,494	241,531
Impact Fees	503,224	-	-	-
Developers Contributions	45,775	-	-	-
Other	1,174,133	-	20,060	33,369
Total revenues	<u>86,467,138</u>	<u>9,337,831</u>	<u>1,257,330</u>	<u>17,860,274</u>
Expenditures				
Current:				
General Government	16,130,003	-	-	-
Public Safety	49,501,034	-	-	-
Physical Environment	249,890	-	-	-
Transportation	258,780	474,776	-	21,507,531
Economic Environment	8,258,129	-	3,414,185	-
Human Services	1,185,614	-	-	-
Culture and Recreation	13,317,696	-	-	-
Debt service:				
Principal	955,000	2,995,000	2,225,000	-
Interest	912,044	4,913,570	1,671,753	-
Total expenditures	<u>90,768,190</u>	<u>8,383,346</u>	<u>7,310,938</u>	<u>21,507,531</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,301,052)</u>	<u>954,485</u>	<u>(6,053,608)</u>	<u>(3,647,257)</u>
Other financing sources (uses)				
Transfers In	508,021	-	4,215,135	1,512,800
Transfers Out	(5,693,195)	-	-	-
Proceeds from Sale of Assets	-	-	1,800,000	-
Capital lease	1,284,187	-	-	-
Issuance of Debt	-	37,075,000	-	-
Premium on Issuance of Debt	-	1,209,684	-	-
Payment to Escrow Agent	-	(37,796,307)	(3,600)	-
Total other financing sources (uses)	<u>(3,900,987)</u>	<u>488,377</u>	<u>6,011,535</u>	<u>1,512,800</u>
Net change in fund balances	<u>(8,202,039)</u>	<u>1,442,862</u>	<u>(42,073)</u>	<u>(2,134,457)</u>
Fund balance - beginning	<u>29,801,250</u>	<u>1,087,394</u>	<u>123,806</u>	<u>25,682,264</u>
Fund balance - ending	<u>\$ 21,599,211</u>	<u>\$ 2,530,256</u>	<u>\$ 81,733</u>	<u>\$ 23,547,807</u>

The notes to the financial statements are an integral part of this statement.

SW Annexation District 1 Collection Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 2,750,927	\$ 69,728,447
33,931	6,363,919	16,634,939
-	16,094,832	47,107,772
7,362,481	42,156,876	52,598,248
-	-	48,870
-	271,923	1,401,918
103,615	782,335	1,546,657
-	7,820,616	8,323,840
-	78,351	124,126
-	1,817,093	3,044,655
<u>7,500,027</u>	<u>78,136,872</u>	<u>200,559,472</u>
-	411	16,130,414
-	6,208,062	55,709,096
114,310	17,994,771	18,358,971
-	18,273,046	40,514,133
-	3,017,272	14,689,586
-	311,665	1,497,279
-	2,219,838	15,537,534
2,350,000	21,760,000	30,285,000
<u>2,916,800</u>	<u>3,903,450</u>	<u>14,317,617</u>
<u>5,381,110</u>	<u>73,688,515</u>	<u>207,039,630</u>
<u>2,118,917</u>	<u>4,448,357</u>	<u>(6,480,158)</u>
-	5,037,599	11,273,555
(233,988)	(6,867,313)	(12,794,496)
-	-	1,800,000
-	-	1,284,187
-	53,220,000	90,295,000
-	4,992,750	6,202,434
-	(57,764,800)	(95,564,707)
<u>(233,988)</u>	<u>(1,381,764)</u>	<u>2,495,973</u>
1,884,929	3,066,593	(3,984,185)
<u>7,917,758</u>	<u>64,350,782</u>	<u>128,963,254</u>
<u>\$ 9,802,687</u>	<u>\$ 67,417,375</u>	<u>\$ 124,979,069</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Year Ended September 30, 2017**

Amounts reported for governmental activities in the statement of activities are different because:	
Net changes in fund balances - total governmental funds	\$(3,984,185)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlay recorded as expenditures in the current period.	32,579,172
The amount of depreciation expense associated with capital outlays is recorded as an expense in the current period.	(26,605,199)
In the governmental funds, revenues cannot be recognized until they are available to pay liabilities of the current period. In the statement of activities, revenue is recognized as soon as it is earned regardless of its availability.	(41,264,528)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. These transactions, however, have no effect on net position. This is the amount of repayment of principal of long-term debt recorded in the current period.	22,985,000
In governmental funds, proceeds of new bonds are used to redeem outstanding bonds. The difference between the proceeds from the new bonds and the amount paid to redeem the old bonds is recorded as a loss. In the Statement of Activities, that difference must be amortized over the life of the bonds.	6,363,675
Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the amount of the difference in treatment of unamortized bond premiums and discounts.	2,941,608
Issuance of refunding bonds to pay the outstanding balance of old debt provides an economic gain but frequently results in an accounting loss. The accounting loss must be amortized over the life of the refunded bonds in the Statement of Activities.	(1,754,855)
Governmental funds do not recognize expenditures for the change in the Net OPEB liability from year-to-year. This is the change of the Net OPEB liability for the current period.	5,853,188
Governmental funds do not recognize expenditures for the change of the Net Pension Liability from year-to-year. This is the change in the Net Pension Liability for the current fiscal year.	111,347
Governmental funds do not recognize expenditures for the long-term liabilities associated with nonexchange financial guarantees. This is the amount of the nonexchange financial guarantee to be liquidated in future years.	1,214,792
Governmental funds do not recognize expenditures for the long-term accrued liability associated with compensated absences and post-employment benefits. This is the net change for the current period.	(640,207)
Title for the Research Facility was transferred from the receiver to the City. Since the City intends to sell the Facility, the estimated net value of the Facility was recorded as an asset held for resale and miscellaneous revenue.	12,000,000
Bond insurance for governmental debt is recorded as an expenditure in the governmental funds. In the government-wide statements bond insurance is recorded as a prepaid item and amortized over the life of the bonds.	(444,451)
Governmental funds do not recognize expenditures for the liability associated with accrued interest payable on long-term debt. This is the reduction in accrued interest payable recorded in the current period.	39,638
The internal service fund is used by management to charge the costs of health insurance. The net revenue of certain activities of the internal service fund is reported with governmental activities.	930,145
Change in net position of governmental activities	<u><u>\$ 10,325,140</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF PORT ST. LUCIE, FLORIDA

**Statement of Net Position
Proprietary Funds
September 30, 2017**

	Enterprise Funds				
	UTILITY SYSTEM FUND	STORMWATER UTILITY FUND	GOLF COURSE FUND	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Assets					
Current assets:					
Equity in pooled cash and investments	\$ 36,198,271	\$ 12,389,665	\$ 340,484	\$ 48,928,420	\$ 6,291,690
Receivables	10,922,175	567,224	-	11,489,399	-
Due from other governmental units	-	113,072	-	113,072	-
Prepaid items	4,051,223	548,275	-	4,599,498	-
Deposits	41,108	29,942	21	71,071	-
Inventories	1,497,123	174,354	35,629	1,707,106	-
Restricted equity in pooled cash and investments	33,328,533	2,847,363	-	36,175,896	-
Total current assets	86,038,433	16,669,895	376,134	103,084,462	6,291,690
Noncurrent assets:					
Noncurrent receivables	5,841,283	-	-	5,841,283	-
Advances to other funds	148,644	-	-	148,644	-
Capital assets (net of depreciation)	553,577,926	27,645,819	3,041,401	584,265,146	97,539
Capital assets (not depreciated)	39,505,524	16,045,406	2,786,942	58,337,872	253,459
Total noncurrent assets	599,073,377	43,691,225	5,828,343	648,592,945	350,998
Total assets	685,111,810	60,361,120	6,204,477	751,677,407	6,642,688
Deferred outflows					
Loss on bond defeasance	13,991,092	105,659	-	14,096,751	-
Other post employment benefits	1,789,471	622,455	54,916	2,466,842	-
Total deferred outflows	15,780,563	728,114	54,916	16,563,593	-
Liabilities					
Current liabilities:					
Deposits	-	27,500	-	27,500	-
Accounts payable and accrued liabilities	1,358,275	628,537	51,011	2,037,823	1,477,940
Accrued salaries and wages	605,197	221,791	18,447	845,435	-
Unearned revenue	2,584,211	75,732	32,043	2,691,986	131,508
Current portion long term liabilities	10,898,853	1,139,245	8,855	12,046,953	-
Payable from restricted assets	6,945,788	1,223,812	-	8,169,600	-
Total current liabilities	22,392,324	3,316,617	110,356	25,819,297	1,609,448
Noncurrent liabilities:					
Long-term liabilities	378,519,220	43,089,522	89,532	421,698,274	-
Advances from other funds	-	53,087	95,557	148,644	-
Net other post employment benefits	3,966,769	1,430,302	119,962	5,517,033	-
Total noncurrent liabilities	382,485,989	44,572,911	305,051	427,363,951	-
Total liabilities	404,878,313	47,889,528	415,407	453,183,248	1,609,448
Deferred inflows					
Other post employment benefits	3,752,884	1,305,836	115,155	5,173,875	-
Total deferred inflows	3,752,884	1,305,836	115,155	5,173,875	-
Net position					
Net investment in capital assets	220,254,843	7,798,628	5,828,343	233,881,814	350,998
Restricted for debt service	6,045,763	437,317	-	6,483,080	-
Restricted for capital projects	20,336,983	1,094,001	-	21,430,984	-
Restricted for claims	-	92,234	-	92,234	-
Unrestricted	45,623,587	2,471,690	(99,512)	47,995,765	4,682,242
Total net position	\$ 292,261,176	\$ 11,893,870	\$ 5,728,831	309,883,877	\$ 5,033,240

The internal service fund is used by management to charge the costs of employee health insurance. This is the net position of the internal service fund reported with business-type activities.

446,537

Total net position of business-type activities

\$ 310,330,414

The notes to the financial statements are an integral part of this statement.

CITY OF PORT ST. LUCIE, FLORIDA

**Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended September 30, 2017**

	Enterprise Funds			Total Enterprise Funds	Governmental Activities - Internal Service Funds
	UTILITY SYSTEM FUND	STORMWATER UTILITY FUND	GOLF COURSE FUND		
Operating revenues					
Charges for services:					
Charges for Services	\$ 70,622,968	\$ 22,305,048	\$ 1,583,794	\$ 94,511,810	\$ 50,000
Employer Contributions to Health Insurance	-	-	-	-	14,409,695
Employee Contributions to Health Insurance	-	-	-	-	1,684,109
Other Contributions	-	-	-	-	1,066,213
Total operating revenues	70,622,968	22,305,048	1,583,794	94,511,810	17,210,017
Operating expenses					
Personal Services	17,289,925	4,742,213	594,959	22,627,097	14,712
Contractual Services	936,388	10,461,022	233,109	11,630,519	972,945
Depreciation/Amortization Expense	32,426,431	1,190,835	272,921	33,890,187	5,913
Operating Supplies and Expense	14,610,543	3,034,565	738,526	18,383,634	305,356
Administrative Expenses	4,212	-	-	4,212	899,365
Insurance Premiums	-	-	-	-	1,794,526
Benefits Paid	-	-	-	-	11,857,093
Total operating expenses	65,267,499	19,428,635	1,839,515	86,535,649	15,849,910
Operating income (loss)	5,355,469	2,876,413	(255,721)	7,976,161	1,360,107
Nonoperating revenue (expense)					
Interest Income	714,657	1,107,283	5,155	1,827,095	49,639
Interest Expense	(14,786,979)	(2,977,885)	(1,035)	(17,765,899)	-
Gain (Loss) on Disposition of Equipment	(8,586)	(39,200)	-	(47,786)	-
Miscellaneous	137,346	45,152	8,462	190,960	-
Total nonoperating revenue (expense)	(13,943,562)	(1,864,650)	12,582	(15,795,630)	49,639
Income (loss) before transfers and contributions	(8,588,093)	1,011,763	(243,139)	(7,819,469)	1,409,746
Transfers and Contributions					
Capital Contributions	4,828,819	-	-	4,828,819	-
System Development Fees	4,153,963	-	-	4,153,963	-
Connection Fees	6,838,001	-	-	6,838,001	-
Transfers In	1,545,565	-	-	1,545,565	-
Transfers Out	(24,114)	-	-	(24,114)	(510)
Total transfers and contributions	17,342,234	-	-	17,342,234	(510)
Change in net position	8,754,141	1,011,763	(243,139)	9,522,765	1,409,236
Total net position - beginning, restated	283,507,035	10,882,107	5,971,970	300,361,112	3,624,004
Total net position - ending	\$ 292,261,176	\$ 11,893,870	\$ 5,728,831	\$ 309,883,877	\$ 5,033,240

Changes in net position - Enterprise Funds \$ 9,522,765

The internal service fund is used by management to charge the costs of employee health insurance. The net revenue of certain activities of the internal service fund is reported with governmental activities.

485,004

Change in net position of business-type activities \$ 10,007,769

The notes to the financial statements are an integral part of this statement.



"A City for All Ages"

CITY OF PORT ST. LUCIE, FLORIDA
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2017

	Enterprise Funds				
	UTILITY SYSTEM FUND	STORMWATER UTILITY FUND	GOLF COURSE FUND	Total	Internal Service Funds
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 69,809,856	\$ 22,172,902	\$ 1,583,021	\$ 93,565,779	\$ 17,343,063
Cash Payments to Suppliers for Goods and Services	(14,692,193)	(13,719,024)	(976,056)	(29,387,273)	(15,827,848)
Cash Payments to Employees for Services	(18,576,311)	(5,302,923)	(645,804)	(24,525,038)	(14,712)
Other Operating Revenue / Expense	137,346	45,152	8,462	190,960	-
Net Cash Provided by (Used In) Operating Activities	36,678,698	3,196,107	\$ (30,377)	39,844,428	1,500,503
Cash Flows from Noncapital Financing Activities					
Transfers In	1,545,565	-	-	1,545,565	-
Transfers Out	(24,114)	-	-	(24,114)	(510)
Principal paid on Noncapital Debt	-	(1,015,000)	-	(1,015,000)	-
Interest paid on Noncapital Debt	-	(361,575)	-	(361,575)	-
Interfund Borrowings	12,720	-	-	12,720	(1,332)
Net Cash Provided by (Used in) Noncapital Financing Activities	1,534,171	(1,376,575)	-	157,596	(1,842)
Cash Flows From Capital and Related Financing Activities					
System Development Fees	4,153,963	-	-	4,153,963	-
Connection Fees	6,838,001	-	-	6,838,001	-
Purchase of Capital Assets	-	(1,167,642)	(45,173)	(1,212,815)	(1,216)
Acquisition and Construction of Capital Assets	(13,215,063)	-	-	(13,215,063)	-
Principal paid on Capital Debt	(10,130,000)	(6,809)	(8,177)	(10,144,986)	-
Interest Paid on Capital Debt	(16,749,501)	(2,578,548)	(1,035)	(19,329,084)	-
Net Cash Used in Capital and Related Financing Activities	(29,102,600)	(3,752,999)	(54,385)	(32,909,984)	(1,216)
Cash Flows From Investing Activities					
Interest and Dividends on Investments	714,657	1,107,283	5,155	1,827,095	49,639
Net Cash Provided by Investing Activities	714,657	1,107,283	5,155	1,827,095	49,639
Net Increase (Decrease) in Cash and Cash Equivalents / Investments	9,824,926	(826,184)	(79,607)	8,919,135	1,547,084
Cash and Cash Equivalents/Investments Beginning of Year	59,701,878	16,063,212	420,091	76,185,181	4,744,606
End of Year	\$ 69,526,804	\$ 15,237,028	\$ 340,484	\$ 85,104,316	\$ 6,291,690
Reconciliation of Cash to Statement of Net Position					
Equity in Pooled Cash and Investments	\$ 36,198,271	\$ 12,389,665	\$ 340,484	\$ 48,928,420	\$ 6,291,690
Restricted Equity in Pooled Cash and Investments	33,328,533	2,847,363	-	36,175,896	-
Totals	\$ 69,526,804	\$ 15,237,028	\$ 340,484	\$ 85,104,316	\$ 6,291,690

The notes to the financial statements are an integral part of this statement.

CITY OF PORT ST. LUCIE, FLORIDA
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2017

	Enterprise Funds				
	UTILITY SYSTEM FUND	STORMWATER UTILITY FUND	GOLF COURSE FUND	Total	Internal Service Funds
Reconciliation of Operating Income (Loss) to net Cash Provided by (Used in) Operating Activities					
Operating income (loss)	\$ 5,355,469	\$ 2,876,413	\$(255,721)	\$ 7,976,161	\$ 1,360,107
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Miscellaneous Revenue not in Statement of Revenues, Expenses, and Changes in Net Position Operating	137,346	45,152	8,462	190,960	-
Depreciation /Amortization	32,426,431	1,190,835	272,921	33,890,187	5,913
Changes in Assets and Liabilities:					
(Increase) decrease in Accounts Receivable	47,413	(58,827)	-	(11,414)	18,467
(Increase) decrease in Inventories	(25,932)	(6,213)	1,216	(30,929)	-
(Increase) decrease in Other Assets	2,028	-	-	2,028	-
(Increase) decrease in Prepaid Expense	259,184	47,300	(21)	306,463	-
(Increase) decrease in Due From Other Governments	-	11,522	-	11,522	-
Increase (decrease) in Deferred Revenues	(329,798)	(74,037)	(8,500)	(412,335)	114,579
Increase (decrease) in Accounts Payable	623,670	(264,524)	(5,616)	353,530	1,437
Increase (decrease) in Other Liabilities	37,483	(9,649)	(44,023)	(16,189)	-
Increase (decrease) in Other Accrued liability	(1,854,596)	(561,865)	905	(2,415,556)	-
Total adjustments	31,323,229	319,694	225,344	31,868,267	140,396
Net Cash Provided by (Used in)					
Operating Activities	\$ 36,678,698	\$ 3,196,107	\$ (30,377)	\$ 39,844,428	\$ 1,500,503
Noncash Capital and Related Financing Activities					
Contributed property, infrastructure, and equipment	\$ 4,828,819	\$ -	\$ -	\$ 4,828,819	\$ -

The notes to the financial statements are an integral part of this statement.

CITY OF PORT ST. LUCIE, FLORIDA

Balance Sheet Fiduciary Funds September 30, 2017

	<u>Retirement Trust Funds</u>
Assets	
Cash and Equivalents	\$ 325
Fixed Investments	4,780,564
Corporate Stocks	22,503,769
Corporate Bonds	10,120,076
US Government Obligations	4,463,950
Federal Agencies	3,384,908
Municipal Obligations	888,599
Real Estate Investments	6,495,435
Mutual Funds	121,757,576
Money Market Funds	3,324,599
Cash Surrender Value of Life Insurance	190,593
Accrued Investment Income	202,319
Accounts Receivable	168,220
Prepaid Expenses	<u>1,915</u>
Total Assets	<u>178,282,848</u>
Liabilities	
Accounts Payable	<u>277,683</u>
Total Liabilities	<u>277,683</u>
Net Position	
Restricted for Employees Retirement	<u>178,005,165</u>
Total Net Position	<u>178,005,165</u>
Total Liabilities and Net Position	<u>\$ 178,282,848</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PORT ST. LUCIE, FLORIDA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended September 30, 2017

	<u>Retirement Trust Funds</u>
Additions	
Contributions:	
City	\$ 10,447,846
State	1,296,741
Employee	2,210,196
Miscellaneous Income	1,787
Net Increase in Fair Value of Investments	16,832,198
Interest and Dividends	1,988,606
Investment Expense	(244,188)
Total Additions	<u>32,533,186</u>
Deductions	
Benefit Payments	10,444,833
Administrative Costs and Charges	202,656
Refunds	287,818
Total Deductions	<u>10,935,307</u>
Net Increase in Net Position	21,597,879
Total Net Position - beginning	<u>156,407,286</u>
Total Net Position - ending	<u>\$ 178,005,165</u>

The notes to the financial statements are an integral part of this statement.



"A City for All Ages"

Notes to the Financial Statements

CITY OF PORT ST. LUCIE, FLORIDA
Index to Notes to Financial Statements
September 30, 2017

	Page
Note I	Summary of Significant Accounting Policies
	A. Scope of Reporting Entity 16
	B. Government-Wide and Fund Financial Statements 17
	C. Basis of Presentation 19
	D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity, Revenues, and Expenditures/Expenses 21
	E. New Accounting Standard 24
Note II	Stewardship, Compliance, and Accountability
	A. Budget and Budgetary Accounting 26
	B. Fund Balance Disclosure 27
Note III	Detailed Notes On All Funds
	A. Cash and Investments 29
	B. Receivables 34
	C. Assessments Receivable 34
	D. Capital Assets 36
	E. Encumbrances 38
	F. Interfund Receivables, Payables and Transfers 38
	G. Long-Term Liabilities 40
	H. CRA Trust Fund 51
Note IV	Other Information
	A. Risk Management 52
	B. Employee Retirement Systems 53
	C. Post-Employment Health Care Benefits 60
	D. Contingencies 66
	E. Subsequent Events 66
	F. Restatement of Beginning Net Position 67

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Port St. Lucie, Florida (the City) was incorporated in 1961 and covers an area of approximately 120 square miles. The City derives authority from Article VIII, Section 2 of the Constitution of the State of Florida, and Chapter 166, Florida Statutes, "Municipal Home Rule Powers Act". The specific organizational governing authority of the City of Port St. Lucie is the City of Port St. Lucie City Charter as adopted in 1976 and as from time to time subsequently amended. The City operates under an elected City Council (5 members) and provides services to its more than 180,000 residents in the form of law enforcement, community enrichment and development, street maintenance, culture and recreation, planning and zoning, human services and general administrative services.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

A. SCOPE OF REPORTING ENTITY

The accompanying financial statements present the City's primary government and component units over which the City exercises significant influence. Even though the component units are legally separate, they are so intertwined with the City that they are, in substance, the same as the City. The following component units are included in the City's financial statements as blended component units.

Port St. Lucie Governmental Finance Corporation – The Corporation is a not-for-profit corporation incorporated in 1990 for the sole purpose of assisting the City in acquiring and constructing various governmental projects consisting of real and/or personal property. The Corporation is included in the City's financial statements since the directors of the Corporation are the Mayor and members of the City Council and the lease payments by the City to the Corporation are the primary source of funds to pay the debt of the Corporation.

Community Redevelopment Agency – The Community Redevelopment Agency was established for the purpose of improving the economic and social conditions within a specific boundary. Incremental property taxes collected within this area are remitted by the various taxing entities back to the Community Redevelopment Agency. The Community Redevelopment Agency (CRA) is included in the City's financial statements since the directors are the Mayor and members of the City Council and the incremental property taxes received by the City are remitted to the CRA.

The activities of the Port St. Lucie Governmental Finance Corporation are included in the combined financial statements within the Special Revenue Funds. The activities of the Community Redevelopment Agency are included in the basic financial statements as a major fund.

Port St. Lucie Municipal Police Officers' Retirement Trust Fund – The Port St. Lucie Municipal Police Officers' Retirement Trust Fund is included in the financial statements as a pension trust fund. Activities of the Trust Fund are reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. The Trust Fund issues separate financial statements and are available by

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

A. SCOPE OF REPORTING ENTITY - (CONTINUED)

contacting the City of Port St. Lucie Finance Department, 121 S.W. Port St. Lucie Boulevard, Port St. Lucie, Florida 34984.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole, excluding fiduciary activities such as employee pension plans. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees charged to developers. These revenues are subject to externally imposed restrictions to their program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

An administrative service fee was charged by the General Fund to the other operating funds to cover the cost of General Fund services provided, such as finance, personnel, purchasing, legal, information technology, and certain management functions. The administrative service fee reduces the functional expense of the particular department at the fund-level statements.

The Government-wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the Proprietary Fund and Fiduciary Fund financial statements. The government-wide statement of net position reports all assets and liabilities of the City, including long-term assets and long-term liabilities and other obligations. For the most part, the effect of interfund activity has been removed from these statements. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred. The City's fiduciary funds are presented in the fund financial statements by type (pension and OPEB). Since by definition these assets are being held for the benefit of a third party (plan participants and third party) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental column of the government-wide presentation. Totals on the business-type activity fund statements should directly reconcile to the business-type activity column presented in the government-wide statements.

The focus of the government-wide financial statements is on the City as a whole. The focus of the Fund Financial Statements is on the major funds of the governmental and business-type activities. Each presentation provides valuable information that can be analyzed to enhance the usefulness of the information.

Proprietary funds record both operating and non-operating revenues and expenses. Operating revenues are those that are obtained from the operations of the proprietary fund that include charges for services and user fees. Non-operating revenues are not related to the operations of the proprietary fund and include interest earnings and intergovernmental revenue. Operating expenses represent the cost of operations, which includes depreciation. Non-operating expenses are not related to operations, such as interest expense.

Modified Accrual:

Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers all revenues available if they are collected within 45 days after year-end. Primary revenue sources that have been treated as susceptible to accrual include, where material, intergovernmental revenue, franchise taxes, communication taxes and charges for services.

Property taxes are accounted for when measurable and available. No accruals for the property tax levy becoming due in November 2017 are included in the accompanying financial statements since such taxes are levied for the subsequent fiscal year and are not considered available at September 30, 2017.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements (continued)

Modified Accrual (continued):

In applying the "susceptible to accrual" concept (the City may act as either provider or recipient), the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met should, under most circumstances, be reported as advances by the provider and unearned revenue by the recipient.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, as under accrual accounting. Exceptions to this general rule include principal and interest on long-term debt, expenditures related to compensated absences, and claims and judgments, which are recognized when due.

C. BASIS OF PRESENTATION

The financial transactions of the City are recorded in individual funds. The operations for each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. Resources are allocated to and accounted for in individual funds, based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental Funds

The focus of Governmental Fund measurement (in the Fund Financial Statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

The following is a description of the major Governmental Funds of the City:

General Fund - The General Fund is the general operating fund of the City. All general tax revenue and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The general operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the general fund.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

C. BASIS OF PRESENTATION (CONTINUED)

Governmental Funds (continued)

General Obligation Debt Service Fund - to account for the revenues derived from the voter-approved ad valorem tax levy for the payment of principal and interest on the General Obligation Bonds, Series 2005, 2006 and 2014. Proceeds of the Bonds were used to construct the Crosstown Parkway, a six-lane east-west corridor in the City.

Port St. Lucie Community Redevelopment Agency Fund - to account for revenues and expenditures of the Community Redevelopment Agency established for the purpose of improving the economic and social conditions within a specific boundary. The fund receives the tax-increment revenues from the City and County for the various redevelopment districts.

Crosstown Parkway Fund - to account for the expenditures associated with the acquisition of land and construction of the Crosstown Parkway. Funding is provided by the issuance of ad valorem tax supported bonds and federal and state grants.

SW Annexation Special Assessment District 1 Collection Fund - to account for the annual assessment collections and payment of principal and interest on the Special Assessment Bonds. Proceeds of the Bonds were used to pay the cost of financing roadways, drainage facilities and water and sewer extensions and improvements within the SW Annexation Special Assessment District.

Proprietary Funds

The focus of Proprietary Fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows, which is similar to businesses. The City electively chose to record all enterprise funds as major. The following is a description of the major Proprietary Funds of the City:

Utility System Fund - to account for the operations of a water and wastewater system.

Stormwater Utility Fund - to account for the operations of a program designed to maintain, replace and improve the City's stormwater-related infrastructure.

Golf Course Fund - to account for the operation of the Saints at Port St. Lucie Golf Course.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

C. BASIS OF PRESENTATION (CONTINUED)

Other Fund Types

Additionally, the City reports the following Fund types:

Internal Service Fund – to account for medical, dental and vision benefits provided to City employees and administered by the City.

Pension Trust/Employee Benefit Funds - to account for one defined benefit plan, three defined contribution plans, and one other post employment benefits plan (OPEB), which accumulate resources for pension and other benefit payments to City employees/retirees.

D. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUFLOWS AND NET POSITION OR EQUITY, REVENUES, AND EXPENDITURES/EXPENSES

1. Pooled Cash and Investments - The City's cash and cash equivalents are considered to be cash on hand and demand deposits. The City has established an investment policy in accordance with Section 218.415, Florida Statutes that allows the City to invest in relatively low risk securities, such as certificates of deposit, money market accounts, and U. S. Government Securities and Agencies. Investments are stated at fair value or amortized cost, which approximates fair value. Resources of all funds, with the exception of the pension funds and the other post employment (OPEB) fund, have been combined into investment pools for the purpose of maximizing investment yields. Investment revenue is comprised of interest and dividends and realized and unrealized gains and losses on investments. Investment revenue on pooled investments is allocated monthly based upon equity balances of the respective funds. Accrued interest on pooled investments is grouped with pooled cash and investments on the balance sheet at year-end.
2. Receivables - All receivables are shown net of an allowance for uncollectibles. Unbilled service revenues of the utility system are accrued at the end of the year by prorating actual subsequent billings.
3. Due To/Due From - Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balance outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

D. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS AND NET POSITION OR EQUITY, REVENUES, AND EXPENDITURES/EXPENSES (CONTINUED)

4. Prepaid and Other Assets - Inventories are composed of expendable supplies held for consumption, and are stated at cost using the first-in, first-out method. The governmental fund type inventories are recorded using the consumption method.

The Neighborhood Stabilization Program Fund has acquired various distressed improved properties with funding from federal government grant programs. The City renovates these properties or, in some cases, demolishes the structure, and sells the property to qualified individuals in the City. These properties are accounted for as an item of inventory based on the acquisition price plus applicable carrying costs, amounting to \$332,600 at September 30, 2017, as presented in the non-major governmental funds.

For certain bond issues, the City purchased bond insurance to lower the cost of borrowing. Prepaid insurance is amortized over the terms of the respective bonds using the straight line method. The carrying value as of September 30, 2017, is \$238,118.

5. Restricted Assets - Certain revenue bond proceeds of the various funds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by contracts or applicable bond covenants.
6. Capital Assets - The City's property, plant, equipment, intangible and infrastructure assets with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The City maintains infrastructure asset records consistent with all other capital assets. Proprietary and component unit capital assets are also reported in their respective fund financial statements. Donated assets are stated at acquisition value on the date donated. The City generally capitalizes assets with cost of \$1,000 or more as purchases and construction outlays occur. Sensitive items under the threshold, such as cameras, guns, and radios, are also capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of assets constructed net of any interest income earned.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

D. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS AND NET POSITION OR EQUITY, REVENUES, AND EXPENDITURES/EXPENSES (CONTINUED)

6. Capital Assets (Continued)

Estimated useful lives, in years, for depreciable assets are as follows:

<u>Assets</u>	<u>Years</u>
Buildings	5 - 50
Improvements, other than buildings	2 - 50
Infrastructure	20 - 50
Mobile equipment	3 - 30
Furniture, machinery, and equipment	3 - 30
Intangible	5 - 10

7. Compensated Absences - It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits, which will be paid to employees upon separation from City service if they meet certain criteria. These benefits, plus their related taxes, are classified as compensated absences. The accumulated compensated absences are accrued when incurred in the government-wide financial statements and proprietary funds for both the current and long-term portions. The General Fund, Road and Bridge Fund, and Building Department Fund typically are the governmental-type funds that liquidate the compensated absences liability. Compensated absences are reported in the governmental funds only if they have matured and are due and payable as of September 30, 2017.
8. Long-Term Debt and Bond Discounts/Premiums - In the government-wide financial statements and the proprietary fund types in the fund financial statements, outstanding debt is reported as liabilities. Bond discounts or premiums are amortized over the terms of the respective bonds using the effective interest rate method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources and discounts as other financing uses of the current period. Issuance costs are reported as expenditures.

9. Deferred Outflows - Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. In the government-wide financial statements and the proprietary fund types in the fund financial statements, the difference between the reacquisition price and the net carrying value of refunded debt is amortized over the terms of the respective bonds using the effective interest rate method and reported as deferred outflows. The amounts for pensions and OPEB relate to certain differences between projected and actual actuarial results, and certain differences between projected and actual investment earnings.

In the government-wide financial statements imposed nonexchange transactions that will be collected in future periods are reported as revenues in the statement of activities. The governmental fund financial statements report imposed nonexchange transactions that will be collected in future periods as deferred inflows.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

D. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS AND NET POSITION OR EQUITY, REVENUES, AND EXPENDITURES/EXPENSES (CONTINUED)

10. Deferred Inflows of Resources- Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. The amounts for pensions and OPEB relate to certain differences between projected and actual actuarial results and certain differences between projected and actual investment earnings.
11. Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from management's estimates.
12. Property Taxes - The City's property tax is levied annually on October 1 on the real and personal property located in the City on January 1 (the lien date) of the fiscal year. The assessed value on which the 2016 levy was based was approximately \$7.9 billion. The assessed values are established by the St. Lucie County Property Appraiser. Tax collections by the St. Lucie County Tax Collector normally begin in November of each year with a due date of March 31 of the following year. Discounts are allowed for early payment of 4% in November, 3% in December, 2% in January, and 1% in February. Unpaid property taxes become delinquent as of April 1. Current tax collections for the year ended September 30, 2016 were approximately 95.8% of the total tax levied. The City is permitted by state law to levy taxes up to 10 mills of assessed valuation. The tax rate for the year ended September 30, 2017 was 5.2807 mills for general operating purposes plus a voter-approved 1.2193 mill levy for debt service on general-obligation bonds.

E. NEW ACCOUNTING STANDARDS

Effective October 1, 2016, the City implemented Governmental Accounting Standards Board Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. "The principal objective of this Statement is to improve the usefulness of information about postemployment¹ benefits other than pensions included in the general purpose external financial reports (financial reports) of state and local governmental benefit plans for making decisions and assessing accountability. These benefits are referred to as other postemployment benefits (OPEB), and the plans through which the benefits are provided are referred to as OPEB plans." As a result of this statement, the City has provided additional disclosures for the OPEB plan in Note IV.C.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

E. NEW ACCOUNTING STANDARDS (CONTINUED)

Effective October 1, 2016, the City implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans*. “The principal objective of this Statement is to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports (financial reports) of governments whose employees—both active employees and inactive employees—are provided with postemployment benefits other than pensions. These benefits are referred to as other postemployment benefits (OPEB). One aspect of that objective is to provide information about the effects of OPEB-related transactions and other events on the elements of the basic financial statements. This information will assist users in assessing accountability and the relationship between a government’s inflows of resources and its total cost (including OPEB expense) of providing government services each period. Another aspect of that objective is to provide users with information about the government’s OPEB obligations and the resources, if any, available to satisfy those obligations.” As a result of the implementation of this standard, the City has restated beginning net position and recorded a net OPEB liability as described in Note IV.E.

Effective October 1, 2016, the City implemented Governmental Accounting Standards Board Statement No. 86, *Certain Debt Extinguishment Issues*. “The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.” As a result of this implementation, prepaid insurance on bonds that were defeased in substance has been reclassified as a deferred outflow “Loss on Bond Defeasance”.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGET AND BUDGETARY ACCOUNTING

The City's Office of Management and Budget prepares an annual operating budget for the General, Debt Service, Special Revenue, and Enterprise Funds. Major capital facilities and improvements, which are accounted for within the Capital Projects Funds, are subject to budgetary control on a project basis whereas other capital outlay accounted for within these funds are subjected to the standard budgetary control.

The City includes anticipated cash carryforwards from the prior year as budgeted revenues in the formal budget. These amounts, however, are excluded from budgeted revenues in the accompanying financial statements in accordance with generally accepted accounting principles.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and means of financing them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. The budget is legally enacted through the passage of an ordinance by City Council on or before the thirtieth day of September of the fiscal year currently ending.
- d. The level of budgetary control is the department. The City Manager is authorized to transfer budgeted amounts within departments of any fund. Revisions that alter the budgeted totals of any department require approval of the City Council. Unencumbered appropriations lapse at year-end.
- e. Budgets for general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles, except encumbrances are presented as expenditures.
- f. Formal budget integration is not employed for proprietary, capital project or trust funds because effective budgetary control is achieved by alternate measures.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

A. BUDGET AND BUDGETARY ACCOUNTING (CONTINUED)

- g. Encumbrances - Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation in the governmental funds. Encumbrances outstanding at year-end are reported as assigned fund balance for construction and long-term contracts and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

B. FUND BALANCE DISCLOSURE

Fund balance classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund is the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

In accordance with Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies governmental fund balances as follows:

Nonspendable – Nonspendable fund balance includes amounts that cannot be spent because they are not in spendable form, such as inventories and prepaid amounts.

Spendable Fund Balance

Restricted – fund balance amounts that are constrained for specific purposes which are externally imposed through debt covenants or amounts constrained by federal and state law.

Committed – fund balance amounts that can only be used for the specific purposes that are internally imposed by City Council Ordinances. Commitments may be changed by the City Council amending or repealing the Ordinance that imposed the constraint initially. Contractual obligations are included to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual obligations.

Assigned – fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. This indicates that resources in these funds are, at a minimum, intended to be used for the purposes of that fund. Fund balance may be assigned by City Council Resolution, by transfer to a special revenue or capital project fund as authorized by City Council, or an appropriation of existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

B. FUND BALANCE DISCLOSURE (CONTINUED)

Unassigned – the residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance are available unless there are legal requirements that prohibit this, such as grant agreements requiring local spending match. Also, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The fund balance classifications at September 30, 2017 are as follows:

	General Fund	Debt Service Fund	Community Redevelopment Fund	Crosstown Parkway Fund	SW Annexation District 1 Collection Fund	Other Governmental Funds	Total
FUND BALANCES							
Nonspendable:							
Prepaid items	\$ 43,765	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,765
Deposits	75,778	-	-	-	-	14,206	89,984
Inventories	99,291	-	-	-	-	-	99,291
Restricted for:							
Protective inspections	-	-	-	-	-	10,385,687	10,385,687
Law enforcement	-	-	-	-	-	142,659	142,659
Pollution control	-	-	-	-	-	156,835	156,835
Housing assistance/rehabilitation	-	-	-	-	-	2,778,561	2,778,561
Water/sewer capital projects	-	-	-	-	-	14,808,902	14,808,902
Parks & recreation capital improvements	-	-	-	-	-	241,964	241,964
Road & bridge capital projects	-	-	-	23,547,807	-	3,286,699	26,834,506
Debt service	-	2,530,256	81,733	-	9,802,687	8,712,959	21,127,635
Committed to:							
Legal services	123,563	-	-	-	-	-	123,563
General building improvements	2,368,926	-	-	-	-	-	2,368,926
Law enforcement	26,623	-	-	-	-	541,760	568,383
Road & bridge capital projects	-	-	-	-	-	3,759,932	3,759,932
Street lights	-	-	-	-	-	168,895	168,895
Economic development	-	-	-	-	-	3,030,993	3,030,993
Conservation	-	-	-	-	-	1,185,712	1,185,712
Parks & recreation capital projects	-	-	-	-	-	3,247,718	3,247,718
Assigned to:							
Parks capital projects	-	-	-	-	-	3,188,308	3,188,308
Neighborhood improvements	-	-	-	-	-	1,146,025	1,146,025
Public Art	173,907	-	-	-	-	-	173,907
Road & bridge capital projects	-	-	-	-	-	4,812,021	4,812,021
Road & bridge operations	-	-	-	-	-	5,807,539	5,807,539
Unassigned:	18,687,358	-	-	-	-	-	18,687,358
	<u>\$ 21,599,211</u>	<u>\$ 2,530,256</u>	<u>\$ 81,733</u>	<u>\$ 23,547,807</u>	<u>\$ 9,802,687</u>	<u>\$ 67,417,375</u>	<u>\$ 124,979,069</u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE III – DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

The City operates using pooled cash and investments and cash balances from all funds which are combined and invested to the extent available. Earnings are allocated monthly to each fund based on average daily balances of cash and investments. At fiscal year end, the carrying amount of the City's pooled cash and investments was \$216,511,939, which includes petty cash of \$34,835. Liquid investments include \$40,510,374 in a local government investment pool and \$12,496,991 in savings accounts at various Florida banks. The City's operating checking account has a balance of \$12,432,655. The City also has \$30,000,000 in non-negotiable certificates of deposit at some Florida banks. All Florida bank accounts are 100% insured by a combination of federal depository insurance and the Florida Public Deposit Security Trust Fund.

The Florida bank deposit insurance exists because Florida Statutes require state and local governmental units to only deposit monies with financial institutions classified as a "Qualified Public Depository" (QPD). For a financial institution to qualify as a QPD, it must participate in the state's deposit insurance pool that requires collateral to be deposited based on the financial institutions rating and the value of public funds it has on deposit. Upon default of any QPD, the pooled collateral is used to guarantee the state and local government deposits. This pool is additional insurance above the federal depository insurance. The City has bank deposits only with QPDs as of September 30, 2017.

Cash and investments held separately or where contractual arrangements or bond covenants require otherwise, are classified as "restricted assets". When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. For purposes of the Statement of Cash Flows, cash equivalents are defined as all liquid investments with an original maturity of three months or less.

Investment Risks

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of fixed income securities. Effective duration, a commonly used measure of interest rate risk, incorporates a security's yield, coupon, final maturity, call features and other imbedded options into one number expressed in years that indicates how price-sensitive a security or portfolio of securities is to changes in interest rates. The effective duration of a security or portfolio indicates the approximate percentage change in fair value expected for a one percent change in interest rates. The longer the duration, the more sensitive the security or portfolio is to changes in interest rates. The City's investment policy provides for a maximum maturity period of 5 years. The maturity periods are usually spread based on anticipated need for financial resources while balancing the rate of return with those needs.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

A. CASH AND INVESTMENTS (CONTINUED)

Fixed income securities have inherent financial risks, including credit risk and interest rate risk. Credit risk for fixed income securities is the risk that the issuer will not fulfill its obligations. Nationally recognized statistical rating organizations (“NSROs”), such as Moody’s and Standard and Poor’s, assign credit ratings to security issuers and issues that indicate a measure of potential credit risk to investors. Fixed income securities considered investment grade are those rated at least Baa by Moody’s and BBB by Standard and Poor’s. The credit risk of the City is governed by the investment policies described above. The City guidelines also reference diversification within those investments that limit the maximum percentages that particular types of investments cannot exceed, ranging from 5% (State of Florida Local Government Surplus Funds Trust Fund – a.k.a. the SBA) to 90% (money markets, United States Agencies, and United States Treasury Notes and Bills).

Investment Policies and Balances

The City’s investment policy applies to all investment activity and shall include all available funds in excess of amounts needed to meet short-term expenses, but shall not apply to pension funds, trust funds, or funds related to the issuance of debt where there are other existing policies or indentures in effect. The policy objective is to invest funds in a manner with highest priority on preservation of principal and safety of liquidity with optimization of investment returns being secondary consideration. Treasury securities are the benchmark used for riskless investment transactions with a minimum standard for rate of return.

The investment guidelines allow the following investments:

- Negotiable obligations unconditionally guaranteed by the United States Government and its agencies
- Fully collateralized United States Agency obligations which carry an implied guarantee and the implied full faith and credit of the United States Government
- Other United States Agency obligations which carry an implied guarantee and the implied full faith and credit of the United States Government
- Interest-bearing savings accounts, money market accounts, certificates of deposit, or time deposits constituting direct obligations of any bank or savings and loan association certified as a Qualified Public Depository by the State of Florida
- Repurchase agreements collateralized by U.S. Treasury Bills or Notes.
- State of Florida Local Government Surplus Funds Trust Fund (F.S. Chapter 218)
- Local government investment pool shares organized under F.S. Chapter 163 and rated AAA.
- Money market mutual fund shares of any money market fund registered as an investment company under the federal “Investment Company Act of 1940”, as amended.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

A. CASH AND INVESTMENTS (CONTINUED)

The policy also establishes guidelines for diversification by the above classification varying from a maximum of 5% to 90% in each category and to maintain no more than 20% of available resources in any one financial institution.

Except for the investments held in local government investment pools, the City's pooled investments are 100% insured through a combination of the implied guarantee of the United States Government, the Federal Depository Insurance Corporation (FDIC), and Florida's Qualified Public Depository coverage. United States Agency and Treasury obligations are held for the City by a third-party safe-keeping custodian through a "delivery-versus-payment" (DVP) process.

The City categorizes its fair value measurements within the fair value hierarchy established in accordance with generally accepted accounting principles. The hierarchy is based on the valuation of inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The market values were determined by the City's third-party safe-keeping custodian based on specific Treasury market pricing directly from the Central Reserve of the United States and Agency pricing from active market models. The composition of fixed income securities at September 30, 2017, along with credit quality and effective duration measures, is summarized as follows:

	Maturity		S & P Rating	Level
	Fair Value 1-2 years	Fair Value 2-5 years		
U.S. Government Treasuries	\$ 49,852,552	\$ -	AA+	Level 2
U.S. Government Agencies	\$ 27,799,068	\$ 40,939,841	AA+	Level 2

In addition to the \$118,591,461 of fixed income securities reported at fair value in the table above, the City has \$30,000,000 in certificates of deposit and \$12,496,991 of bank money market investments, which are valued at amortized cost, and \$40,510,374 invested in FL Class, which is valued at net asset value per share (NAV). These investments, totaling \$201,598,826, and \$14,913,113 of cash and other deposits held by the City, comprise the City's total cash and investments balance of \$216,511,939, as summarized below.

FL Class is a local government investment pool designed to generate additional income for participants while maintaining the safety and liquidity of the investments. There is no limitation on the frequency of the redemption from FL Class and redemptions can occur without advance notice. The City does not have any unfunded commitments in FL Class.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

A. CASH AND INVESTMENTS (CONTINUED)

The following schedule reconciles the deposit and investment information above to the City's financial statements:

<u>FUND TYPE</u>	<u>Equity in Pooled Cash and Investments</u>	<u>Restricted Equity in Pooled Cash and Investments</u>	<u>Total Cash and Investments</u>
<u>Governmental Activities</u>			
General	\$ 22,539,559	\$ -	\$ 22,539,559
GO Bond Debt Service	2,529,708	-	2,529,708
Community Redevelopment	85,666	-	85,666
Crosstown Parkway	21,149,408	-	21,149,408
SW Annexation District 1	2,966,019	6,795,113	9,761,132
Nonmajor Governmental Funds	66,040,478	3,009,982	69,050,460
Medical Trust Fund	6,291,690	-	6,291,690
Total Governmental	<u>\$ 121,602,528</u>	<u>9,805,095</u>	<u>131,407,623</u>
<u>Business Type Activities</u>			
Utility System Fund	36,198,271	33,328,533	69,526,804
Stormwater Utility Fund	12,389,665	2,847,363	15,237,028
Golf Course Fund	340,484	-	340,484
Total Business-Type	<u>48,928,420</u>	<u>36,175,896</u>	<u>85,104,316</u>
TOTAL	<u><u>\$ 170,530,948</u></u>	<u><u>\$ 45,980,991</u></u>	<u><u>\$ 216,511,939</u></u>

Pension and Other Post Employment Benefits (OPEB) Funds

The defined contribution pension and OPEB trust funds' investments are maintained by an independent third-party investment management firm that is permitted by the City to invest those monies in their managed mutual funds.

Defined Contribution and OPEB Retirement Funds

	<u>Fair Value</u>	<u>Rating S & P</u>	<u>Level</u>
Mutual Funds	\$ 82,902,846	n/a	Level 1
Corporate Stock	166,072	n/a	Level 1
Cash and Equivalents	325	n/a	n/a
	<u><u>\$ 83,069,243</u></u>		

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

A. CASH AND INVESTMENTS (CONTINUED)

The Municipal Police Officers' Retirement Trust Fund (MPORT) is authorized to invest in:

- U.S. Government obligations and U.S. agencies
- Domestic and foreign high quality bonds, notes and fixed income securities
- General market common stocks and equity securities, preferred stocks and pooled equity funds (maximum investment of 70% of total assets and no one stock or equity-related security would exceed 5% of the total portfolio on the cost basis)
- Real estate investment trusts (REIT), limited to 5% of the total portfolio

Municipal Police Officers' Retirement Trust

	Fair Value	Rating S & P	Duration (in years)	Level
U.S. Government Obligations	\$ 4,463,950	AA	8.8	Level 2
U.S. Government Agencies	3,384,908	AA	4.5	Level 2
Municipal Obligations	888,599	AA-AAA	5.2	Level 2
Corporate Obligations	10,120,076	BBB-AA	9.1	Level 2
Domestic Fixed Investment Fund	4,780,564	n/a	n/a	Level 1
Domestic Equity Exchange Traded Fund	24,448,107	n/a	n/a	Level 1
Domestic Stocks	22,337,697	n/a	n/a	Level 1
Foreign Equity Mutual Fund	14,406,623	n/a	n/a	Level 1
Temporary Investment Funds	3,324,599	n/a	n/a	Level 1
Total Investments by fair value level	88,155,123			
Investment measured at net asset value (NAV)				
Real Estate Investment Fund (a)	6,495,435			
Total investments measured at fair value	<u>\$ 94,650,558</u>			

(a) The Real Estate Investment Funds are open end, commingled private real estate portfolios. These REIT-based funds are structured as limited partnerships. Their primary focus is to invest in well-based income producing properties within major U.S. markets. The fair values of the investments in these funds have been determined using the NAV per unit of the trusts ownership interest in partners' capital. The investments of the fund are valued quarterly. Withdrawal requests must be made 60 days in advance and may be paid in one or more installments.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

B. RECEIVABLES

At September 30, 2017, receivables for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts of \$16,074,753 for the nonmajor funds, are as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Crosstown Parkway</u>	<u>SW Annexation</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Governmental Funds:						
Accounts Receivable	\$ 3,211,410	\$ -	\$ -	\$ -	\$ 706,168	\$ 3,917,578
Assessments Receivable	-	-	-	125,204,627	71,533,494	196,738,121
Due From Other						
Governments	5,306,456	548	4,891,034	41,555	1,892,403	12,131,996
Total Governmental Activities						<u>\$ 212,787,695</u>

Accounts receivable for enterprise funds are net of allowance for uncollectible accounts of \$1,285,467 for the Utility System and \$104,254 for the Stormwater Utility System. In addition, the enterprise funds have long term accounts receivable for 10-year, non-interest-bearing water and sewer connection fees loans. The following schedule summarizes the receivable balances in the following fund types at September 30, 2017:

	<u>Utility System</u>	<u>Stormwater Utility</u>	<u>Total Business-Type Activities</u>
Business-Type Activities:			
Accounts Receivable	\$ 10,922,175	\$ 567,224	\$ 11,489,399
Due From Other Gov't	-	113,072	113,072
Accounts Receivable - (Long Term)	5,841,283	-	5,841,283
Advance to Other Funds	148,644	-	148,644
	<u>\$ 16,912,102</u>	<u>\$ 680,296</u>	<u>\$ 17,592,398</u>

C. ASSESSMENTS RECEIVABLE

The City issued special assessment debt for the expansion of the Utility System (Water and Sewer). The expansion occurred in multiple phases and projects at various times in the City. The levies have occurred in prior years and are reflected as special revenue funds. The City is assessing property owners for the expansion of the water and sewer system. Property owners were given the option of prepaying the full assessment amount or financing the amount over 20 years. The City issued special assessment debt to fund the construction for property owners who elected not to prepay. When financed, the payment is included within the property-owners annual real

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

C. ASSESSMENTS RECEIVABLE (CONTINUED)

property tax bill and includes interest and an amount to cover the additional costs of financing. Property owners may pay off their assessment at any time plus accrued interest.

The City also issued special assessment debt for funding infrastructure improvements of roads, drainage, and water and sewer within particular benefited areas. These have been implemented at the request of those property-owners. The benefited properties are assessed annually for the necessary amounts to fund the current debt service requirements on the applicable debts.

The following schedule summarizes the current year transactions and balances at September 30,

	<u>SW Annexation</u>	<u>Other Governmental</u>	<u>Total Governmental Activities</u>
Assessments Receivable Balance, October 1, 2016	\$ 149,539,725	\$ 92,007,951	\$ 241,547,676
Collections and Credits During the Year Ended September 30, 2017	(24,335,098)	(21,910,006)	(46,245,104)
Interest on Delinquent Assessments	-	1,435,549	1,435,549
Assessments Receivable Balance, September 30, 2017	<u>\$ 125,204,627</u>	<u>\$ 71,533,494</u>	<u>\$ 196,738,121</u>

Delinquent special assessments and interest on delinquent special assessments for the current fiscal year in the amount of \$2,144,617 are included in the assessments receivable year end balance reported in the above schedule. An allowance for doubtful accounts of \$12,860,305 has been provided for special assessments receivable at September 30, 2017.

In accordance with governmental accounting standards, the assessments are reported as "deferred inflows - unavailable revenues" on the Governmental Funds Balance Sheet since the assessments will be billed and collected in future years and are unavailable to pay current obligations. In the Statement of Net Position, the special assessments were recorded as revenues at the time of the assessment and are a component of Net Position.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

D. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2017 was as follows:

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Not Being Depreciated/Amortized:					
Land	\$ 123,308,718	\$ 174,000	\$ -	\$ -	\$ 123,482,718
Construction in Progress	30,869,086	25,937,537	-	29,762	56,836,385
Total Capital Assets, Not Being Depreciated	<u>154,177,804</u>	<u>26,111,537</u>	<u>-</u>	<u>29,762</u>	<u>180,319,103</u>
Capital Assets, Being Depreciated/Amortized:					
Buildings	118,217,543	342,728	(8,309)	7,241	118,559,203
Improvements Other Than Buildings	50,993,651	596,178	-	-	51,589,829
Machinery and Equipment	32,998,871	4,919,639	(1,527,648)	(165,673)	36,225,189
Intangible	122,681	15,010	-	22,410	160,101
Infrastructure	695,546,044	656,867	-	-	696,202,911
Total Capital Assets, Being Depreciated	<u>897,878,790</u>	<u>6,530,422</u>	<u>(1,535,957)</u>	<u>(136,022)</u>	<u>902,737,233</u>
Less Accumulated Depreciation/Amortization for:					
Buildings	37,902,466	3,264,828	(8,309)	342	41,159,327
Improvements Other Than Buildings	19,619,830	1,991,992	-	-	21,611,822
Machinery and Equipment	24,364,054	2,324,779	(1,407,680)	(165,000)	25,116,153
Intangible	26,133	14,761	-	-	40,894
Infrastructure	286,861,572	19,008,839	-	-	305,870,411
Total Accumulated Depreciation	<u>368,774,055</u>	<u>26,605,199</u>	<u>* (1,415,989)</u>	<u>(164,658)</u>	<u>393,798,607</u>
Total Capital Assets, Being Depreciated - Net	<u>529,104,735</u>	<u>(20,074,777)</u>	<u>(119,968)</u>	<u>28,636</u>	<u>508,938,626</u>
Governmental Activities Capital Assets - Net	<u>\$ 683,282,539</u>	<u>\$ 6,036,760</u>	<u>\$ (119,968)</u>	<u>\$ 58,398</u>	<u>\$ 689,257,729</u>

* Depreciation/Amortization expense was charged to functions as follows:

Governmental Activities:	
General Government	\$ 902,480
Public Safety	1,648,372
Physical Environment	432,825
Transportation	19,264,594
Economic Environment	2,117,329
Human Services	50,708
Culture & Recreation	2,188,891
Total Governmental Activities Depreciation Expense	<u>\$ 26,605,199</u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

D. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended September 30, 2017 was as follows:

	Beginning Balance	Increase	Decreases	Transfers	Ending Balance
Business-Type Activities:					
Capital Assets, Not Being Depreciated/Amortized:					
Land	\$ 55,668,517	\$ 25,831	\$ -	\$ -	\$ 55,694,348
Construction in Progress	1,762,961	880,563	-	-	2,643,524
Total Capital Assets, Not Being Depreciated	57,431,478	906,394	-	-	58,337,872
Capital Assets, Being Depreciated/Amortized:					
Plant	321,065,564	3,449,361	-	-	324,514,925
Water and Sewer System	599,199,193	14,023,659	-	-	613,222,852
Machinery and Equipment	33,715,673	1,351,215	(1,437,355)	172,826	33,802,359
Buildings	4,928,049	-	-	-	4,928,049
Improvements Other Than Buildings	3,397,505	13,542	-	-	3,411,047
Intangibles	886,615	-	-	-	886,615
Infrastructure	26,951,572	8,059	-	-	26,959,631
Total Capital Assets, Being Depreciated/Amortized	990,144,171	18,845,836	(1,437,355)	172,826	1,007,725,478
Less Accumulated Depreciation/Amortization for:					
Plant	97,064,029	9,020,227	-	-	106,084,256
Water and Sewer System	266,370,278	22,279,884	-	-	288,650,162
Machinery and Equipment	21,060,492	1,433,873	(1,383,553)	166,203	21,277,015
Buildings	1,491,546	161,508	-	-	1,653,054
Improvements Other Than Buildings	1,952,188	174,442	-	-	2,126,630
Intangibles	212,748	88,748	-	-	301,496
Infrastructure	2,636,214	731,505	-	-	3,367,719
Total Accumulated Depreciation/Amortization	390,787,495	33,890,187	* (1,383,553)	166,203	423,460,332
Total Capital Assets, Being Depreciated/Amortized - Net	599,356,676	(15,044,351)	(53,802)	6,623	584,265,146
Business-Type Activities Capital Assets - Net	\$ 656,788,154	\$ (14,137,957)	\$ (53,802)	\$ 6,623	\$ 642,603,018

* Depreciation/Amortization expense was charged to functions as follows:

Business-Type Activities:	
Water and Sewer	\$ 32,426,431
Stormwater Utility	1,190,835
Golf Course	272,921
Total Business-Type Activities Depreciation Expense	<u>\$ 33,890,187</u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

E. ENCUMBRANCES

The City has outstanding commitments for engineering and construction projects in process. Those commitments are approximated for the respective funds at September 30, 2017:

General Fund	\$ 2,519,112
Crosstown Parkway Fund	66,017,259
Nonmajor Governmental Funds	6,352,901
Stormwater Utility	922,904
Utility System	742,294
	<u>\$ 76,554,470</u>

F. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following is a summary of amounts due from and due to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	CDBG Fund	\$ 95,541
General Fund	Solid Waste Fund	97,890

All remaining balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made and adjustments recorded subsequent to year end.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

F. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

The following is a summary of interfund transfers:

<u>Transfers In Fund</u>	<u>Transfers Out Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 483,907
General Fund	Utility System Fund	24,114
Community Redevelopment Fund	General Fund	4,152,424
Community Redevelopment Fund	Nonmajor Governmental Funds	62,711
Crosstown Parkway Fund	Nonmajor Governmental Funds	1,512,800
Nonmajor Governmental Funds	General Fund	1,119,132
Nonmajor Governmental Funds	SW Annexation District 1 Collection Fund	233,988
Nonmajor Governmental Funds	Nonmajor Governmental Funds	3,684,479
Utility System Fund	General Fund	421,639
Utility System Fund	Nonmajor Governmental Funds	1,123,416
Utility System Fund	Internal Service Fund	510
		<u>\$ 12,819,120</u>

The City's routine transfers include transfers made to move unrestricted revenues or balances that have been collected or accumulated in the General Fund to other funds based on budgetary authorization, and the transfer of revenues from a fund that by statute or budgetary authority must collect them to a fund that by statute or budgetary authority to expend them. Additionally, several funds transferred to the Road & Bridge Fund their allocable share of construction project expenditures.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

G. LONG-TERM LIABILITIES

Governmental Activities Debt:

The following is a summary of the changes in long-term liabilities for the year ended September 30, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Certificates of Participation, Series 2008	\$ 32,360,000	\$ -	\$ 32,360,000	\$ -	\$ -
General Obligation Bonds, Series 2005	10,985,000	-	10,985,000	-	-
General Obligation Bonds, Series 2006	26,715,000	-	26,715,000	-	-
Sales Tax Refunding Bonds, Series 2008	955,000	-	955,000	-	-
Sales Tax Refunding Bonds, Series 2011	11,715,000	-	640,000	11,075,000	1,665,000
General Obligation & Refunding Bonds, Series 2014	70,860,000	-	1,865,000	68,995,000	3,335,000
Public Service Tax Bonds, Series 2014	19,775,000	-	-	19,775,000	-
CRA TIF Refunding Bonds, Series 2016	38,260,000	-	2,225,000	36,035,000	2,540,000
Public Service Tax Bonds, Series 2016	-	30,875,000	2,520,000	28,355,000	2,255,000
General Obligation Refunding Bonds, Series 2016	-	37,075,000	1,130,000	35,945,000	-
Taxable Special Obligation Bonds, Series 2017	-	22,345,000	705,000	21,640,000	905,000
Special Assessment District Bonds:					
Series 2002B, River Point	1,215,000	-	450,000	765,000	-
Series 2003 C, Glassman	2,020,000	-	800,000	1,220,000	-
Series 2003 D, East Lake Village	4,395,000	-	240,000	4,155,000	615,000
Series 2005 A, St Lucie Land Holdings	10,175,000	-	1,000,000	9,175,000	-
Series 2005 B, USA #9	1,220,000	-	300,000	920,000	-
Series 2007A, Combined SAD	720,000	-	280,000	440,000	-
Series 2008A, City Center	27,290,000	-	27,290,000	-	-
Series 2011B, USA #5,6,7A Refunding	8,520,000	-	2,800,000	5,720,000	-
Series 2012A, Tesoro Refunding	4,725,000	-	4,725,000	-	-
Series 2016, SW Annex Refunding	126,895,000	-	2,350,000	124,545,000	3,055,000
	398,800,000	90,295,000	120,335,000	368,760,000	14,370,000
Compensated Absences	8,597,002	5,647,565	5,007,356	9,237,211	831,349
Nonexchange Financial Guarantee	57,041,714	2,931,321	4,146,113	55,826,922	1,245,000
Unamortized Bond Premium	16,692,042	6,202,434	3,752,608	19,141,868	-
Total Long Term Obligations	\$ 481,130,758	\$ 105,076,320	\$ 133,241,077	\$ 452,966,001	\$ 16,446,349

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

G. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities Debt (continued):

	<u>10/1/2016</u>	<u>Increase</u>	<u>Decrease</u>	<u>9/30/2017</u>	<u>Current Portion</u>
Compensated Absences:					
General	\$ 7,247,544	\$ 4,691,452	\$ 4,268,847	\$ 7,670,149	\$ 690,313
Road & Bridge	657,055	417,027	315,837	758,245	68,242
Building	617,766	453,031	346,066	724,731	65,226
NPDES	10,347	6,684	3,843	13,188	1,187
NSP	7,477	3,504	9,848	1,133	102
CDBG	19,535	30,654	29,346	20,843	1,876
Housing	12,801	20,433	19,381	13,853	1,247
Neighborhood					
Services	-	9,338	2,078	7,260	653
CRA	24,478	15,441	12,110	27,809	2,503
	<u>\$ 8,597,003</u>	<u>\$ 5,647,564</u>	<u>\$ 5,007,356</u>	<u>\$ 9,237,211</u>	<u>\$ 831,349</u>

\$13,915,000 Sales Tax Refunding Revenue Bonds, Series 2011 – payable from and collateralized by a lien upon and a pledge of the state shared Sales Tax Revenues, due in annual principal installments ranging from \$640,000 to \$2,070,000 plus interest ranging from 2.0% to 5.0% through September 2023. Proceeds used to refund a majority portion of the \$20,000,000 Sales Tax Improvement Revenue Bonds, Series 2003, which proceeds were used for roadway improvements.

\$74,740,000 General Obligation Bonds and Refunding Bonds, Series 2014 – due in annual principal installments ranging from \$505,000 to \$5,155,000 plus semiannual interest at a rate ranging from 1.5% to 5.0%. Proceeds used to provide \$36,000,000 of project funds for the Crosstown Parkway project and to advance refund \$29,505,000 of the General Obligation Bonds, Series 2005, and \$12,510,000 of the General Obligation Bonds, Series 2006.

\$33,300,000 Public Service Tax Revenue Bonds, Series 2014A & 2014B - payable from and collateralized by a lien upon and a pledge of the public service tax revenues, due in annual principal installments ranging from \$760,000 to \$2,170,000 plus interest semiannually at a rate ranging from 2.611% to 5.0%. Proceeds used to refund the \$39,900,000 Lease Revenue bonds, Series 2010A & 2010B.

\$38,260,000 Community Redevelopment Agency Redevelopment Trust Fund Refunding Revenue Bonds, Series 2016 - payable from and collateralized by a lien upon and pledge of the net tax increment revenues generated in the Community Redevelopment Area, due in annual principal installments ranging from \$2,225,000 to \$5,715,000 plus interest semiannually at a rate ranging from 2.0% to 5.0% through January 2026. Proceeds were used to refund the remaining balances of the outstanding \$11,870,000 CRA Bonds, Series 2004, and the \$46,450,000 CRA Bonds, Series 2006.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

G. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities Debt (continued):

\$30,875,000 Public Service Tax Revenue Bonds, Series 2016 - payable from and collateralized by a lien upon and a pledge of the public service tax revenues, due in annual principal installments ranging from \$2,255,000 to \$3,495,000 plus interest semiannually at a rate of 5.0%. Proceeds used to refund the remaining balance of the \$45,600,000 Refunding Certificates of Participation, Series 2008. The refunding resulted in a future cash flow savings of \$4,725,392 and a net present value savings of \$4,163,207. The economic loss of \$3,255,772 will be amortized over 20 years.

\$37,075,000 General Obligation Refunding Bonds, Series 2016 – due in annual principal installments ranging from \$1,960,000 to \$6,000,000 plus semiannual interest at a rate ranging from 3.125% to 5.0%. Proceeds used to refund the remaining balances of the \$49,285,000 General Obligation Bonds, Series 2005, and \$44,545,000 General Obligation Bonds, Series 2006. The refunding resulted in a future cash flow savings of \$6,079,171 and a net present value savings of 4,392,084. The economic gain of \$1,285,901 will be amortized over 19 years.

\$22,345,000 Taxable Special Obligation Bonds, Series 2017 - payable from amounts budgeted and appropriated by the City from non-ad valorem revenues, due in annual principal installments ranging from \$905,000 to \$1,655,000 plus semiannual interest at a rate ranging from 1.892% to 4.357%. Proceeds used to advance refund the remaining balance of the \$31,360,000 Special Assessment Refunding Bonds, Series 2008A. The refunding resulted in a future cash flow savings of \$15,743,297 and a net present value savings of \$3,989,340. The economic loss of \$3,843,556 will be amortized over 10 years.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

G. LONG-TERM LIABILITIES (CONTINUED)

Special Assessment Debt with Government Commitment:

\$7,880,000 Special Assessment District Bonds, Series 2002B – Tax Exempt; Series 2002B – Taxable (River Point Special Assessment District) – payable from assessments levied on subject properties within the assessment area, due in annual principal installments ranging from \$355,000 to \$595,000 plus interest ranging from 4.4% to 4.75% through January 2023. Due to the early call of certain bonds, no principal payments are due until January 2020. The City has a secondary obligation to budget sufficient Non-Ad Valorem Revenues to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming debt service payment. Proceeds used for infrastructure improvements.

\$9,500,000 Special Assessment Bonds, Series 2003C (Glassman Special Assessment District) – payable from assessments levied on subject properties within the assessment area, due in annual principal installments ranging from \$480,000 to \$835,000 plus interest at a rate of 6.75% through July 2023. Due to the early call of certain bonds, no principal payments are due until July 2019.

\$10,350,000 Special Assessment Bonds, Series 2003D (East Lake Village Special Assessment District) – payable from assessments levied on subject properties within the assessment area, due in annual principal installments ranging from \$200,000 to \$775,000 plus interest ranging from 4.25% to 4.625% through July 2023. Due to the early call of certain bonds, no principal payments were due until July 2016. The City has a secondary obligation to budget sufficient Non-Ad Valorem Revenues to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming debt service payment.

\$18,725,000 Special Assessment District Bonds, Series 2005A – (St. Lucie Land Holdings Special Assessment District) – payable from assessments levied on subject properties within the assessment area, due in annual principal installments ranging from \$700,000 to \$1,365,000 plus interest ranging from 3.75% to 4.625% through July 2027. Due to the early call of certain bonds, no principal payments are due until July 2017. Proceeds used to finance a portion of the cost of acquisition and improvements of roadway and drainage system additions, improvements and extensions and the potable water distribution and wastewater collection system within the SAD. The City has a secondary obligation to budget sufficient Non-Ad Valorem Revenues to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming debt service payment.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

G. LONG-TERM LIABILITIES (CONTINUED)

Special Assessment Debt with Government Commitment (continued):

\$4,765,000 Special Assessment District Bonds, Series 2005B – (Utility Service Area 9 – Water and Wastewater Expansion Project) – payable from assessments levied on subject properties within the service area, due in annual principal installments beginning in 2018, ranging from \$105,000 to \$345,000 plus interest ranging from 4.125% to 4.5% through July 2025. Due to the early call of certain bonds, no principal payments are due until July 2020. Proceeds used for water and wastewater system expansion within the SAD. The City has a secondary obligation to budget sufficient net income of the Utility System to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming debt service payment.

\$6,635,000 Combined Special Assessment District Bonds, Series 2007A – (Peacock and Lowry Special Assessment District) – payable from assessments levied on subject properties within the assessment area, due in annual principal installments ranging from \$175,000 to \$525,000 plus interest semiannually at a rate of 5.35% through July 2027. Due to the early call of certain bonds, no principal payments are due until July 2023. Proceeds used for the construction of roadway and drainage system additions, improvements and extensions and the potable water distribution and wastewater collection system within the SAD.

\$20,665,000 Water and Sewer Special Assessment Refunding Bonds, Series 2011B (Utilities Service Area 5, 6 & 7A) – payable from assessments levied on subject properties within the service area, due in annual principal installments ranging from \$1,230,000 to \$2,330,000 plus interest ranging from 1.5% to 3.25% through September 2021. Due to the early call of certain bonds, no principal payments are due until September 2016. The City has a secondary obligation to budget sufficient net revenues of the Utility System to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming payment. Proceeds were used to refund the balance of the outstanding \$54,390,000 Special Assessment Bonds, Series 2001D (Utilities Services Area 5, 6 & 7A).

\$126,895,000 Special Assessment Refunding Bonds, Series 2016 (Southwest Annexation Special Assessment District No. 1) – payable from assessments levied on subject properties within the assessment area, due in annual principal installments ranging from \$2,350,000 to \$6,580,000 plus interest semiannually ranging from 1.0% to 4.0% through July 2045. The City has a secondary obligation to budget sufficient Non-Ad Valorem Revenues to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming debt service payment. Proceeds were used to refund the \$129,440,000 remaining balance of the outstanding \$155,840,000 Special Assessment District Bonds, Series 2016 (Southwest Annexation Special Assessment District No. 1).

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

G. LONG-TERM LIABILITIES (CONTINUED)

Long-term debt service requirements for each of the years subsequent to September 30, 2017 are:

<u>September 30,</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total</u>
2018	\$ 14,370,000	\$ 14,570,366	\$ 28,940,366
2019	16,735,000	14,098,175	30,833,175
2020	19,785,000	13,479,555	33,264,555
2021	21,225,000	12,673,599	33,898,599
2022	20,255,000	11,819,678	32,074,678
2023	22,230,000	10,890,733	33,120,733
2024	19,845,000	9,879,580	29,724,580
2025	20,705,000	9,005,650	29,710,650
2026	21,490,000	8,056,233	29,546,233
2027	16,590,000	7,276,525	23,866,525
2028	11,865,000	6,580,628	18,445,628
2029	12,335,000	6,117,254	18,452,254
2030	12,835,000	5,618,172	18,453,172
2031	13,380,000	5,078,848	18,458,848
2032	13,915,000	4,538,698	18,453,698
2033	14,430,000	3,962,015	18,392,015
2034	15,040,000	3,362,486	18,402,486
2035	15,625,000	2,783,496	18,408,496
2036	5,935,000	2,179,037	8,114,037
2037	6,120,000	1,991,688	8,111,688
2038	6,315,000	1,798,437	8,113,437
2039	6,515,000	1,598,938	8,113,938
2040	6,720,000	1,393,037	8,113,037
2041	6,945,000	1,169,738	8,114,738
2042	7,175,000	938,587	8,113,587
2043	7,430,000	684,400	8,114,400
2044	6,370,000	420,875	6,790,875
2045	6,580,000	213,850	6,793,850
	<u>\$ 368,760,000</u>	<u>\$ 162,180,278</u>	<u>\$ 530,940,278</u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

G. LONG-TERM LIABILITIES (CONTINUED)

Nonexchange Financial Guarantee

The City issued limited obligation debt of \$64,035,000 (Research Facilities Revenue Bonds, Series 2010) in May 2010 to provide financial assistance in the form of a loan to a non-profit private sector entity for the acquisition and construction of land, building, furniture and equipment for biomedical research, development, training and educational facilities located within the City. This issuance was under the legal authority of Ordinance 10-18, enacted pursuant to provisions of Article VIII, Section 2 of the Florida Constitution, Chapter 166, Part II, Florida Statutes, Chapter 159, Parts II and VII, Florida Statutes and Section 1.01 and 9.09 of the Charter of the City of Port St. Lucie, Florida. The bonds mature annually through May 1, 2042, with semi-annual interest.

Although limited obligation debt bears the name of the City as issuer, it is collateralized by the resources provided by the loan with the non-profit private sector entity on whose behalf they are issued. Throughout the term of the bonds, the City has covenanted to budget, appropriate and deposit into a debt service reserve fund amounts required to cure any deficiency within 30 days' notice from the Trustee. In the event the City must cure a debt service deficiency, the non-profit private sector entity is to reimburse the City through monthly payments until the City is reimbursed in full.

On May 1, 2015, funds were withdrawn from the Debt Service Reserve Fund in order to pay the debt service as a result of the non-profit private sector entity's failure to make its required loan payment to the Trustee. The Trustee provided written notice to the non-profit private sector entity to replenish the deficiency. In August 2015, the Trustee notified the City of the failure by the non-profit private sector entity to make the required installment payments and the requirement for the City to cure the deficiency in the debt service reserve fund. Additionally, the non-profit private sector entity publicized its intention to cease operations as of October 1, 2015. In September 2015, the City paid the first of 10 equal payments of \$218,147 to the Trustee for replenishment of the debt service reserve fund.

In August 2017, title of the land, building and contents was transferred from the Bond Trustee to the City and the estimated net value of the building was recorded as an asset held for resale and miscellaneous revenue in the entity wide statements.

As of September 30, 2017, the \$58,565,000 remaining principal balance on the \$64,035,000 Research Facilities Revenue Bonds, Series 2010, is reported as a nonexchange financial guarantee liability of \$55,826,922 based on the estimated discounted present value of the future outflows, net of amounts funded in escrow. For the Fiscal Year October 1, 2016 through September 30, 2017, the City paid a total of \$4,146,113 to the Trustee. The payments were recorded as economic environment expenditures in the appropriate governmental fund. Through September 30, 2017, the City has made cumulative payments of \$10,469,872. The City is pursuing collection from the non-profit private sector entity for amounts paid by the City. As of September 30, 2017, no payments have been received from the non-profit private sector entity.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

G. LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activity Debt:

The following summary reflects the transactions of long-term obligations in the enterprise funds for the year ended September 30, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Stormwater Utility System Fund					
Revenue Bonds, Series 2010 A & B	\$ 36,000,000	\$ -	\$ -	\$ 36,000,000	\$ -
Revenue Bonds, Series 2011	8,085,000	-	1,015,000	7,070,000	1,050,000
Utility System Fund					
Revenue Bonds, Series 2007	92,105,000	-	6,400,000	85,705,000	6,735,000
Revenue Bonds, Series 2009	14,725,000	-	2,730,000	11,995,000	2,855,000
Revenue Bonds, Series 2012	20,605,000	-	795,000	19,810,000	825,000
Revenue Bonds, Series 2014	29,585,000	-	-	29,585,000	-
Revenue Bonds, Series 2016	206,970,000	-	205,000	206,765,000	250,000
	408,075,000	-	11,145,000	396,930,000	11,715,000
Compensated Absences	3,565,703	2,066,886	1,944,219	3,688,370	331,953
Unamortized Bond Premium	36,410,218	-	3,283,361	33,126,857	-
Total Long-Term Obligations	<u>\$ 448,050,921</u>	<u>\$ 2,066,886</u>	<u>\$ 16,372,580</u>	<u>\$ 433,745,227</u>	<u>\$ 12,046,953</u>

The Stormwater Utility Revenue Bonds are collateralized by a lien upon and a pledge of the stormwater revenues derived from the operation of the stormwater utility system, the franchise revenues derived from the electric franchise fees collected from Florida Power & Light Company, and income earned on bond related investment accounts.

\$36,000,000 Stormwater Utility Revenue Bonds, Taxable Series 2010 A & B – comprised of the Taxable Series 2010A (Build America Bonds – Direct Payment) for \$26,895,000 and the Taxable Series 2010B (Recovery Zone Economic Development Bonds) – due in annual principal and sinking fund installments of \$1,285,000 to \$3,630,000, plus interest of 7.376% on Series A subject to a 35% subsidy and 6.516% and 7.176% on Series B subject to a 45% subsidy. Principal payments begin May 2024.

\$11,325,000 Stormwater Utility Refunding Revenue Bonds, Series 2011 – due in annual principal installments of \$320,000 to \$1,325,000, plus interest ranging from 2% - 5% through May 2023. The proceeds of this issue were used to advance refund \$11,610,000 of the outstanding balance of the Series 2002 Stormwater Bonds, which were issued to provide funds for the payment of a lawsuit relating to the City's stormwater collection and drainage system.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

G. LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activity Debt (continued):

The Utility System Revenue Bonds are payable solely from and secured by a lien upon and pledge of the net revenues derived from the operation of the water and sewer system and the Capital Facilities Charges (limited to the debt service component) of the Utility System.

\$119,445,000 Utility System Refunding Revenue Bonds, Series 2007 – due in annual principal installments of \$670,000 to \$10,675,000 plus interest semiannually ranging from 4.0% to 5.25% through September 2027.

\$110,200,000 Utility System Refunding Revenue Bonds, Series 2009 – due in annual principal installments beginning in 2013, ranging from \$1,645,000 to \$16,570,000 plus interest semiannually ranging from 4.125% to 5.25% through September 2035.

\$21,375,000 Utility System Refunding Revenue Bonds, Series 2012 – due in annual principal installments beginning in 2016, ranging from \$770,000 to \$3,300,000 plus interest semiannually ranging from 3.75% to 5.00% through September 2029.

\$29,585,000 Utility System Refunding Revenue Bonds, Series 2014 – due in annual principal installments beginning in 2020, ranging from \$1,265,000 to \$5,155,000 plus interest semiannually of 5.00% through September 2023. The Series 2014 Bonds were issued in November 2014 to refund \$7,190,000 of Series 2003 Bonds, \$12,260,000 of Series 2004 Bonds and \$16,460,000 of Series 2006 Bonds.

\$206,970,000 Utility System Refunding Revenue Bonds, Series 2016 – due in annual principal installments ranging from \$205,000 to \$27,070,000 plus interest semiannually ranging from 3.0% to 5.0% through September 2036. The Series 2016 Bonds were issued in August 2016 to refund all of the \$51,645,000 Series 2004A Bonds, refund the \$52,270,000 outstanding balance of the \$78,435,000 Series 2006 Bonds, refund the \$33,507,230 outstanding balance of the \$35,197,230 Series 2006A Bonds, and advance refund \$88,075,000 of the \$110,200,000 Series 2009 Bonds. The refunding resulted in a future cash flow savings of \$58,757,788 and a net present value savings of \$43,528,370. The economic loss of \$18,895,088 will be amortized over 20 years.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

G. LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activity Debt (continued):

Long-term debt service requirements for each of the years subsequent to September 30, 2017 are:

<u>September 30,</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total</u>
2018	\$ 11,715,000	\$ 18,971,543	\$ 30,686,543
2019	12,290,000	18,395,330	30,685,330
2020	12,890,000	17,797,105	30,687,105
2021	13,535,000	17,150,255	30,685,255
2022	15,665,000	16,473,543	32,138,543
2023	16,470,000	15,671,993	32,141,993
2024	17,210,000	14,842,037	32,052,037
2025	18,105,000	13,940,868	32,045,868
2026	19,050,000	12,992,537	32,042,537
2027	20,050,000	11,993,554	32,043,554
2028	21,115,000	10,930,638	32,045,638
2029	22,205,000	9,838,658	32,043,658
2030	23,315,000	8,730,925	32,045,925
2031	24,370,000	7,678,856	32,048,856
2032	25,475,000	6,576,504	32,051,504
2033	26,590,000	5,460,339	32,050,339
2034	27,750,000	4,298,265	32,048,265
2035	28,975,000	3,068,689	32,043,689
2036	30,000,000	2,047,950	32,047,950
2037	3,145,000	749,033	3,894,033
2038	3,380,000	517,058	3,897,058
2039	3,630,000	267,749	3,897,749
	<u>\$ 396,930,000</u>	<u>\$ 218,393,429</u>	<u>\$ 615,323,429</u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

G. LONG-TERM LIABILITIES (CONTINUED)

Utility System Fund

A summary of significant bond ordinance terms and covenants for the Utility System Revenue Bonds are as follows:

1. Principal and interest are payable from and secured by a pledge of the net revenues from the operation of the system. Pledged revenues may include ad valorem taxes, special assessments, capital facilities charges, and certain investment earnings thereon, or any combination thereof. Currently, ad valorem taxes and special assessments are not pledged as a Pledged Revenue for the bonds. The bonds do not constitute a lien on the system.
2. The Utility System is required to maintain certain depository accounts, such as a Sinking Fund for annual debt service, Reserve Account for the maximum annual debt service requirement, Capital Facilities Charges Account for the deposit of connection fees and a Renewal and Replacement Account to fund replacement of System capital assets.
3. The City has covenanted to establish and maintain rates at a level sufficient to provide net revenues from operation of the System equal to 100% of the current debt service requirement plus the required deposits into the Reserve account and the Renewal and Replacement Fund. Rates also must be sufficient to equal 110% of the current debt service requirement and the required deposits, including the investment income from the Project Fund, a calculated percentage of the capital facilities charges, and any transfers from the Rate Stabilization fund.

Stormwater Utility Fund

A summary of significant bond ordinance terms and covenants for the Stormwater Utility Revenue Bonds are as follows:

1. Principal and interest are payable from and secured by a pledge of the gross revenues from the operation of the stormwater utility. Additionally, electric franchise fees can be used to ensure there will be sufficient amounts on hand to pay the debt service requirement.
2. The Utility is required to maintain certain depository accounts, such as a Sinking Fund for annual debt service and a Renewal and replacement Fund for replacement of capital assets.
3. Extraordinary Option Redemption – The Series 2010 A & B bonds are subject to redemption on any date prior to maturity at the option of the City upon the occurrence of an extraordinary event which is when a material adverse change has occurred to the applicable Section of the Internal Revenue Code pertaining to the “Build America Bonds” and the “Recovery Zone Economic Development Bonds” pursuant to which the City's subsidy payment is reduced or eliminated.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

G. LONG-TERM LIABILITIES (CONTINUED)

Defeased Debt

Refunding provides for an irrevocable deposit with an escrow agent of sufficient funds to pay principal and interest, when due, on the refunded bonds to the earliest call date. These obligations are no longer considered a liability of the City. The City has the following defeased refunded debt issues:

Issue	Series	Date Refunded	Outstanding as of	
			Refund Date	9/30/2017
Utility System Revenue Bonds	2009	08/30/2016	\$ 88,075,000	\$ 88,075,000
Certificates of Participation	2008	11/1/2016	\$ 32,360,000	\$ 30,175,000
Special Assessment Bonds (City Center SAD)	2008A	4/26/2017	\$ 27,290,000	\$ 26,500,000

H. CRA TRUST FUND

The Community Redevelopment Agency has responsibility for the tax increment districts. Pursuant to Section 163.387, Florida Statutes, a Redevelopment Trust Fund serves to process the transactions relating to the tax increment district. The following schedule shows the amount and source of deposits into, and the amount and purpose of withdrawals from, the trust fund during the fiscal year ended September 30, 2017, as well as principal and interest paid during the year on the debt which is pledged with tax increment revenues. The balance of the debt remaining is presented as part of governmental activities debt. Using additional funds provided by the City, the CRA paid in full the special assessments principal balance. This will reduce the CRA operating expenditures \$278,293 annually.

Source of Deposits	Date	Amount
City of Port St. Lucie	Various	\$ 4,215,135
St. Lucie County	12/28/2016	1,235,775
Sale of Capital Assets	3/31/2017	1,800,000
City of Port St. Lucie Utility Department	Monthly	20,060
Interest Earnings	Monthly	1,495
Total Deposits		<u>\$ 7,272,465</u>
Purpose of Withdrawals	Date	Amount
Debt Service - Principal	12/29/2016	\$ 2,225,000
Debt Service - Interest	Semi-annual	1,671,753
Special Assessment District Payment	Various	3,079,618
Stormwater Utility Payment	4/21/2017	8,688
CRA Operating Expenses	Various	329,479
Total Withdrawals		<u>\$ 7,314,538</u>

Principal and Interest on Indebtedness	Principal	Interest	Total
Series 2016 Bonds	<u>\$ 36,035,000</u>	<u>\$ 9,323,125</u>	<u>\$ 45,358,125</u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE IV – OTHER INFORMATION

A. RISK MANAGEMENT

The City is exposed to various risks of loss related to theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and third parties, and natural disasters. The City is a member of the Treasure Coast Risk Management Program (TRICO, a cooperative of local governments created under Florida Statute 163). As a participant in the risk pool, the City may be assessed for any deficits of the pool, which would be required to be funded. Presently, an actuarially projected amount is being assessed to the members of the pool on an annual basis.

The City has commercial property, automobile physical damage, flood, equipment breakdown, auto/ general/ cyber/ law enforcement liability, public officials and employment practices liability, crime and statutory accidental death and dismemberment coverage through TRICO which also carries various excess and reinsurance policies through different carriers. The property coverage is subject to a \$100,000 deductible per occurrence except wind, flood and earthquake. The equipment breakdown coverage is subject to a \$10,000 deductible per occurrence. The City is a qualified self-insurer in the State of Florida and granted sovereign immunity under Florida Statute 768.28. Liability is limited to \$200,000 per claimant/\$300,000 per occurrence. An excess general liability, law enforcement and automobile liability policy is in force with policy limits of \$1,000,000 per occurrence/\$2,000,000 annual aggregate which is subject to \$1,000,000 self-insured retention and tracks Florida Statute 768.28. Cyber Liability is limited to \$1,000,000/occurrence/\$1,000,000 aggregate and \$500,000 for security breach response subject to varying deductibles. Crime coverage is subject to \$2,000,000 Limit for employee theft and \$5,000,000 for Computer & Funds Transfer Fraud, subject to a \$25,000 per occurrence deductible. The Workers Compensation liability policy is statutory per Florida Statute 440, including employer's liability of \$1,000,000 occurrence, and is subject to a self-insured retention of \$1,000,000. The limits for Public Officials and Employment Practices Liability are \$1,000,000 per claim/per member/\$1,000,000 aggregate per member, subject to a TRICO pool aggregate limit of \$4,000,000, with a \$100,000 self-insured retention, except for sexual molestation which is \$225,000. The Accidental Death and Dismemberment coverage tracks Florida Statute 112.18, 112.181, 112.1815, 112.19 and 112.191 as respects benefits payable.

The City is self-insured for health benefits provided to employees. The various departments fund the Medical Insurance Fund (Internal Service Fund) based on the experience rate of the prior year on a per employee basis for total claims and expenses paid. The City has contracted with Florida Blue to provide administration services for the plan. Administrative fees are based upon a flat rate per employee per month and are paid out of this fund. The City purchased stop-loss insurance from Symetra Life Insurance Company. The individual stop-loss limit is \$250,000 with an additional aggregate deductible of \$168,000 and a maximum stop loss limit of \$19,358,180 in paid claims. Stop-loss payments for the past year were \$0.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

A. RISK MANAGEMENT (CONTINUED)

The following claims incurred but not reported (IBNR) liability, estimated based on claims payment activity for two months subsequent to year end, is included in accounts payable for the Medical Trust Fund. Changes in the IBNR claims liability for the past two years are as follows:

Balance at September 30, 2015	\$ 695,715
Current Year Claims	13,529,289
Current Year Payments	<u>(13,884,892)</u>
Balance at September 30, 2016	340,112
Current Year Claims	12,456,203
Current Year Payments	<u>(12,348,978)</u>
Balance at September 30, 2017	<u><u>\$ 447,337</u></u>

B. EMPLOYEE RETIREMENT SYSTEMS

The City has three defined contribution pension plans and one defined-benefit pension plan:

- General Employees Retirement Plan
- Police Officers Retirement 401A Plan
- Employees Retirement 401A Plan
- Municipal Police Officers' Retirement Trust Fund

The City accounts for all four plans as pension trust funds; therefore, they are accounted for in substantially the same manner as proprietary funds with economic resources measurement focus and the accrual basis of accounting. Plan member contributions, employer contributions, and contributions from other entities, including rollovers by participants from other plans, are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due in accordance with terms of the plans. Plan assets are valued at fair value for financial statement purposes, as reported by the custodial agents.

Defined Contribution Pension Plans

Ordinance 77-25, as amended by subsequent City Ordinances, established defined contribution pension plans for City employees. Under the defined contribution pension plans, the benefits a participant will receive depend solely on the amount contributed by the City to the participant's account and the returns earned on the investments of those contributions. The three defined contribution pension plans do not issue a stand-alone financial statement.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

B. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Defined Contribution Pension Plans (continued)

General Employees' Retirement System

The General Employees' Retirement System, sponsored and administered by Prudential, is a defined contribution plan available to all employees of the City hired prior to October 1, 1991 who are not directing the City contribution to another plan. The City is the sole contributor to the General Employees' Retirement System.

The plan requires City contributions of 10.5% of employee compensation. The funds are invested in life insurance, annuity contracts and a variable rate investment plan. The City pays the plan administrative fee; however, the contract maintenance fee is deducted from the individual contracts where applicable. Pension contribution expenses for the year were \$91,058. There were no outstanding liabilities for this plan at year-end.

No pension provision changes occurred during the year that affected the City's required contribution. The vesting schedule allows 100% vesting after five years, or after attaining the age of 55.

Police Officers' Retirement Plan 401A

The Police Officers' Retirement Plan 401A is sponsored and administered by the International City Managers' Association (ICMA) as a defined contribution plan available to eligible employees after three months of service.

The plan requires City contributions of 10.5% of employee compensation for those members who are not directing the City contribution to the Municipal Police Officers' Retirement Trust Fund (MPORT). The participant has a choice of multiple investment options within the fund with each account bearing the cost of the annual maintenance charge, if applicable. Pension contribution expenses for the year were \$189,765. There were no outstanding liabilities for this plan at year-end.

No pension provision changes occurred during the year that affected the City's required contribution. The vesting schedule allows 100% vesting after five years, or after attaining the age of 55.

Employees' Retirement Plan 401A

The Employees' Retirement Plan 401A is sponsored and administered by the International City Managers' Association (ICMA) as a defined contribution plan available to all employees after three months of service.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

B. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Defined Contribution Pension Plans (continued)

Employees' Retirement Plan 401A (continued)

The plan requires City contributions of 10.5% of employee compensation. The participant has a choice of multiple investment options within the fund with each account bearing the cost of the annual maintenance charge, if applicable. Pension contribution expenses for the year were \$4,548,121. There is an outstanding liability of \$212,653 for this plan at year-end.

No pension provision changes occurred during the year that affected the City's required contribution. The vesting schedule allows 100% vesting after five years, or after attaining the age of 55.

Defined Benefit Pension Plan - Municipal Police Officers' Retirement Trust Fund

Plan Description

The Municipal Police Officers' Retirement Trust Fund (plan), which is a single-employer defined benefit public employee's retirement system (PERS), was established under the provisions of Chapter 185 of the Statutes of the State of Florida, and is accounted for in the Municipal Police Officers' Retirement Trust Fund. The plan is managed and administered by the five-member Retirement Board, which includes two Council appointees, two members of the department elected by the membership, and a fifth member elected by the other four and appointed by the Council.

Plan Membership as of October 1, 2017

Inactive plan members or beneficiaries currently receiving benefits	70
Inactive plan members entitled to but not yet receiving benefits	10
Active plan members	<u>211</u>
	<u>291</u>

Benefits Provided

The plan provides for normal retirement at age 55 with 10 years of service or age 52 with 25 years of service. Normal retirement benefits are calculated at 3.27% per service year based on the participant's compensation of the highest 5 years during the past 10 years of employment. Early retirement is provided for members age 50 with 10 years of credited service, reduced by 3% per year. Under the provisions of the plan, pension benefits vest fully after 5 years of full-time employment as

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

B. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Defined Benefit Pension Plan - Municipal Police Officers' Retirement Trust Fund (continued)

Benefits Provided (continued)

a sworn police officer; however, if an employee terminates with the City, funds must remain in the plan until normal retirement age to realize that vesting.

Contributions

Plan members contribute 9.0% of pensionable wages and the City contributes the actuarially required amount, which was approximately 23.2% of pensionable wages for fiscal year 2017. Additionally, the State collects a 0.85% tax on premiums for casualty insurance and remits those collections to the City annually. The state contributions are recorded as revenue and personnel fringe benefit expenditures in the City's general fund before being recorded as a contribution to the plan.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of October 1, 2017.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2017, updated to September 30, 2017, using the following actuarial assumptions:

Inflation	2.50%
Salary increases	Service based
Discount rate	7.50%
Investment rate of return	7.50%

Mortality Rate Healthy Lives:

Female: RP-2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Combined Healthy (previously Annuitant) White Collar/90% Combine Healthy Blue Collar, Scale BB.

Mortality Rate Disabled Lives:

Female: 60% RP-2000 Disabled set forward two years/ 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled set back four years/ 40% Annuitant White Collar/90% with no setback, no projection scale.

The actuarial assumptions used in the October 1, 2017 valuation were based on the results of an actuarial experience study dated July 10, 2017.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

B. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Defined Benefit Pension Plan - Municipal Police Officers' Retirement Trust Fund (continued)

Actuarial Assumptions (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class. For 2017 the inflation rate assumption of the investment advisor was 2.50%. These ranges are combined to produce the long-range expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017 are summarized as follows:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	50%	7.50%
International equity	15%	8.50%
Broad market fixed income	35%	2.50%
Total	100%	

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the City's contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

B. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Defined Benefit Pension Plan - Municipal Police Officers' Retirement Trust Fund (continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at September 30, 2016	\$ 102,848,206	\$ 81,774,843	\$ 21,073,363
Changes for the year:			
Service cost	3,558,152	-	3,558,152
Interest	8,103,067	-	8,103,067
Differences between expected and actual experience	488,739	-	488,739
Changes of assumptions	3,830,114	-	3,830,114
Contributions - employer	-	4,018,282	(4,018,282)
Contributions - state	-	1,296,741	(1,296,741)
Contributions - employee	-	1,559,054	(1,559,054)
Contributions - buy back	127,254	127,254	-
Net investment income	-	9,967,904	(9,967,904)
Benefit payments, including refunds of employee contributions	(3,701,299)	(3,701,299)	-
Administrative expense	-	(190,249)	190,249
Net changes	12,406,027	13,077,687	(671,660)
Balances at September 30, 2017	\$ 115,254,233	\$ 94,852,530	\$ 20,401,703

Sensitivity of the net pension liability to changes in the discount rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
City's net pension liability	\$ 35,688,632	\$ 20,401,703	\$ 7,673,442

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

B. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Defined Benefit Pension Plan - Municipal Police Officers' Retirement Trust Fund (continued)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in a separately issued plan financial report. That report may be obtained by contacting the Finance Department at the City of Port St. Lucie, 121 S.W. Port St. Lucie Blvd, Port St. Lucie, FL 34984.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2017, the City recognized a pension expense of \$5,203,676. On September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,542,089	\$ 1,947,925
Changes of assumptions	3,922,353	-
Net difference between projected and actual earnings on pension plan investments	-	2,512,201
Total	<u>\$ 9,464,442</u>	<u>\$ 4,460,126</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	
2018	\$ 1,369,316
2019	\$ 1,386,044
2020	\$ 218,233
2021	\$ 497,185
2022	\$ 916,559
Thereafter	\$ 616,979

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

C. POST-EMPLOYMENT HEALTH CARE BENEFITS

Plan Description

Section 112.0801, Florida Statutes, requires all public employers to allow their retirees to participate in the same health group plan offered to their active employees. The City operates a self-funded plan for health, dental, vision and life insurance benefits. All financial activities of the self-funded plan are recorded in the Internal Service Fund. Substantially all the City's full-time employees may become eligible for those benefits if they reach normal retirement age while working for the City. The City recognizes the costs associated with providing these benefits as claims are paid. Funding of the plan is from various funds of the City that incur payroll related expenses, such as the General Fund, Road & Bridge Fund and Utility System Fund. These funds have also expended money in the past to liquidate the other post-employment benefit (OPEB) net OPEB liability.

The Other Postemployment Benefit plan is a single-employer benefit plan administered by the City. Retirees' are charged the same rate by the City as active employees. Premiums charged by the City are a blended rate based on the experience of younger active employees and older retired employees. Since retirees have higher costs yet pay the same rate as younger active employees, the blended rate creates an implicit rate subsidy for retirees.

The City offers a Health Insurance Premium Subsidy to select retirees. The Health Insurance Subsidy is not contingent on continuing medical coverage through the City. The Subsidy is equivalent to a portion of the cost of single medical coverage through the City. The portion payable at retirement is 5% per each year of service up to a maximum of 80%. The portion payable for total and permanent disability incurred in the line of work is 100%. To be eligible for the Premium Subsidy a participant must meet the following qualifications:

- a) be an eligible employee as of the inception of the policy on 10/1/2005 and hired prior to 10/1, 2010, and
- b) retire:
 - 1) at age 55 with 10 years of service for general employees, or
 - 2) at age 52 with 10 years of covered service for sworn officers.

OPEB Trust Account

In March 2010, City Council adopted Resolution 10-R11 establishing a retiree health savings plan (the Plan) for employees' health needs during retirement. An irrevocable trust was established with ICMA Retirement Corporation and is 100% funded by city contributions. The assets of the Plan are held in trust, with the City Manager, or his/her designee, and the City Finance Director, or his/her designee, as trustee for the exclusive benefit of the Plan participants. Each year the City contributes to the Other Postemployment Plan Trust Account an amount based on the actuarially determined contribution. For the year ended September 30, 2017, the City contributed \$1,460,000. The City's contributions to the Trust Account and the earnings of the Trust Account are dedicated to providing benefits for eligible retirees. An actuarial valuation of the OPEB obligation is prepared each year to determine the annual contribution to the Trust Account.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

C. POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

OPEB Trust Fund

The City established an OPEB Trust Fund to account for the costs of retiree health insurance, the resources required to pay retiree health insurance benefits and the accumulation of funds in the OPEB Trust Account. Separate financial statements for the OPEB Trust Fund are not available. A Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position are included in the City's Comprehensive Annual Financial Report. Since the City self-funds health insurance for active and retired employees, costs of retiree health insurance and amounts to be contributed by retirees are calculated annually based on recommendations provided by the City's health insurance consultant. Contributions by retirees to the OPEB Trust Fund for the fiscal year ending September 30, 2017 were \$404,989 and total health insurance payments for retiree health insurance was \$1,245,609.

Plan Membership as of September 30, 2017

Inactive plan members currently receiving benefits	196
Active plan members with coverage	896
Active plan members without coverage	52
	<u>1,144</u>

Investments

Resolution 10-R11 required all Plan assets to be invested in the ICMA Retirement Corporation's VantageCare Retirement Health Savings Plan (RHS Plan). Investment options in the RHS Plan include:

- Cash Management Fund
- Bond funds
- Balanced/Asset allocation funds
- U.S. stock funds
- International/Global funds

As authorized by the resolution, the City Manager and City Finance Director have directed ICMA Retirement Corporation to invest the Plan assets in a Broad U.S. Stock Market Index Fund (Stock Fund) and a Core U.S. Bond Index Fund (Bond Fund). Plan assets are allocated as follows:

<u>Asset Class</u>	<u>Target Allocation</u>
Stock Fund	60%
Bond Fund	40%

For the year ended September 30, 2017, the annual money-weighted rate of return on the investments, net of investment expense, was 10.63%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

C. POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Net OPEB Liability of the City

The components of the net OPEB liability of the City at September 30, 2017, were as

follows: Total OPEB liability	\$28,639,956	
Plan fiduciary net position	(13,686,361)	
Net OPEB liability	<u>\$14,953,595</u>	
Plan fiduciary net position as % of total OPEB liability		47.8%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of September 30, 2017, using the following assumptions.

Discount Rate

7.00%

Asset Valuation Method

Market Value of Assets

Payroll Growth

Payroll growth includes general wage inflation of 3.25% plus merit/productivity increases based on the FRS valuation as of June 30, 2016. General employees are assumed to follow the Regular table while Police employees are assumed to follow the Special Risk table.

Inflation Rate

2.25% per year

Cost Method

Entry Age Normal Level

Health Care Coverage Election Rate

Disability

Sample rates of disability are as shown below:

	<u>General</u>		<u>Police</u>
<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Unisex</u>
20	0.002%	0.001%	0.03%
30	0.003%	0.001%	0.04%
40	0.009%	0.005%	0.07%
50	0.022%	0.010%	0.18%
60	0.048%	0.022%	0.90%

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

C. POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Turnover Rate

Assumption used to project terminations (voluntary and involuntary) prior to meeting minimum retirement eligibility for retiree health coverage. The rates represent the probability of termination in the next 12 months. Sample annual turnover rates are shown below:

	General						Police
	Male			Female			
<u>Age</u>	<u>0 YOS</u>	<u>5 YOS</u>	<u>10+ YOS</u>	<u>0 YOS</u>	<u>5 YOS</u>	<u>10+ YOS</u>	<u>All YOS</u>
20	32.85%	11.69%	9.77%	30.27%	13.47%	11.55%	12.00%
30	25.85%	8.83%	4.71%	25.39%	9.42%	5.37%	10.00%
40	24.38%	7.37%	2.97%	24.40%	7.02%	3.33%	5.20%
50	23.45%	56.03%	2.95%	23.21%	6.16%	2.95%	1.60%
60	27.37%	6.76%	5.31%	23.21%	6.06%	2.95%	
56+	N/A	N/A	N/A	N/A	N/A	N/A	0.40%
62+	27.37%	6.76%	3.68%	23.21%	6.06%	2.95%	

Retirement Rate

Assumed annual rates of retirement are as shown below. DROP participants are assumed to be retired as of the measurement date.

General		Police		
<u>Age</u>	<u>All YOS</u>	<u>Age</u>	<u>10 – 24 YOS</u>	<u>25+ YOS</u>
55 – 61	2%	50	5%	5%
62	25%	51	5%	5%
63 – 64	10%	52	5%	100%
65 – 69	20%	53	5%	100%
70+	100%	54	5%	100%
		55	5%	100%

Mortality

RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017 for health retirees

RHP-2017 Disabled Retiree Mortality Table fully generational using Scale MP-2017 for disabled retirees

Health Care Trend Rates - 9% decreasing to 5%

The initial trend rate was based on a combination of employer history, national trend surveys, and professional judgement. The ultimate trend rate was selected based on historical medical CPI information.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

C. POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

HIS Trend Rates - 8.71% decreasing to 6.81%

HIS trend rates are based on (1) health care trend rates shown above and; (2) assumed dental / vision trend rates which begin at an initial 4.5% and decrease to 3.5% by FYE 2022 by 0.25% steps each year.

Retiree Contributions

Retiree contributions are assumed to increase according to health care trend rates.

Investment Returns

The long-term expected rate of return on OPEB plan investments is 7.00% based on the City's OPEB Trust Account expected targets. This was validated using a building block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are then combined to produce the long-term expected rate of return by weighting them based on the target asset allocation percentage and adding in expected inflation (2.25%). The best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2017 are summarized below:

Asset Class	Target Allocation	Long-Term Real Rate of Return
U.S. Stock	60.0%	6.25%
U.S. Bond	40.0%	3.75%
Total	<u>100.0%</u>	5.24%

The City's funding policy is to pay the pay-go costs out of the City's Operating Funds and to partially pre-fund the Actuarially Determined Contribution. The final single equivalent discount rate used for this year's valuation is 7.00% as of September 30, 2017 with the assumption that the City will eventually pay the pay-go costs out of the OPEB Trust Account at the time when the OPEB Trust Account is expected to be sufficient to finance all future benefit payments.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

C. POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Changes in Net OPEB Liability

	<u>FY 2016/2017</u>
Total OPEB Liability	
Total OPEB liability – beginning of year	\$ 34,222,697
Service cost	971,028
Interest	2,366,666
Changes in assumptions	7,763,903
Differences between expected and actual experience	(15,843,718)
Benefit payments	(840,620)
Net change in OPEB liability	(5,582,741)
Total OPEB liability – end of year	28,639,956
 Plan Fiduciary Net Position	
Plan fiduciary net position – beginning of year	11,604,003
Contributions – employer	1,600,620
Net investment income	1,322,358
Benefit payments	(840,620)
Net change in plan fiduciary net position	2,082,358
Plan fiduciary net position – end of year	13,686,361
Net OPEB Liability – end of year	<u>\$ 14,953,595</u>

Sensitivity Results

The following presents the net OPEB liability as of September 30, 2017, calculated using the discount rate assumed and what it would be using a 1% higher and 1% lower discount rate.

	1% Decrease 6.0%	Discount Rate 7.0%	1% Increase 8.0%
Net OPEB liability	\$18,644,138	\$14,953,595	\$11,896,782

The following presents the net OPEB liability as of September 30, 2017, using the health care, dental/vision, and HIS trend rates assumed and what it would be using 1% higher and 1% lower health care trend rates.

	1% Decrease (8.0% decreasing to 4.0%)	Healthcare Cost Trend Rates (9.0% decreasing to 5.0%)	1% Increase (10.0% decreasing to 6.0%)
Net OPEB liability	\$11,703,479	\$14,953,595	\$18,904,091

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

C. POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows/Inflows of Resources

For the year ended September 30, 2017, the City recognized OPEB expense of \$1,504,720. At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 14,083,305
Changes in assumptions	6,901,247	-
Net difference between projected and actual earnings in OPEB plan investments	-	387,140
Total	<u>\$ 6,901,247</u>	<u>\$ 14,470,445</u>

The balances of September 30, 2017 of the deferred outflows/(inflows) of resources will be recognized in OPEB expense in future fiscal years as noted below:

Fiscal Year Ended September 30:

2018	\$ (994,543)
2019	\$ (994,543)
2020	\$ (994,543)
2021	\$ (994,541)
2022	\$ (897,757)
Thereafter	\$ (2,693,271)

D. CONTINGENCIES

The City is a defendant in various lawsuits arising in the normal course of business, including claims for property damages, personal injuries, and personnel practices. In the opinion of management, the ultimate outcome of these lawsuits, some of which are covered by insurance, will not have a material adverse effect on the City's financial position.

E. SUBSEQUENT EVENTS

On March 29, 2018, City Council voted to accept title of 1,247 acres from Tradition Land Company in the Southern Grove area of the City in lieu of payments for remaining special assessments, the obligation of which may well exceed the ultimate net realizable value of the property received. Southern Grove is a 3,604 acre Development of Regional Impact south of Tradition Parkway. The land was envisioned by the City as a "jobs corridor" just to the west of Interstate 95 and extending 3 miles south of Tradition Parkway to Becker Road. The City will be responsible for the future annual payment of taxes and special assessments so long as the City retains title to the property.

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

F. RESTATEMENT OF BEGINNING NET POSITION

Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans*, requires the net other postemployment benefits (OPEB) liability of the City's OPEB Trust Fund be reported as a liability in the Statement of Net Position. Accordingly, the beginning net position as of October 1, 2016, has been restated as follows:

Statement of Net Position

	Governmental Activities	Business-Type Activities
Beginning net position, previously reported	\$ 575,519,497	\$ 310,922,889
Add:		
Other postemployment benefits liability 9/30/2016	800,090	430,277
Deferred outflow 10/1/2016	5,017,488	2,746,415
Deduct:		
Net OPEB liability 10/1/2016	(14,617,523)	(8,001,171)
Deferred inflow 10/1/2016	(10,551,880)	(5,775,765)
Beginning net position, restated	<u>\$ 556,167,672</u>	<u>\$ 300,322,645</u>

Statement of Net Position – Proprietary Funds

	Utility System Fund	Stormwater Utility Fund	Golf Course Fund	Total Enterprise Funds
Beginning net position, previously reported	\$ 291,210,442	\$ 13,539,902	\$ 6,211,012	\$ 310,961,356
Add:				
Other postemployment benefits liability 9/30/2016	322,005	99,835	8,437	430,277
Deferred outflow 10/1/2016	1,998,193	686,604	61,618	2,746,415
Deduct:				
Net OPEB liability 10/1/2016	(5,821,365)	(2,000,293)	(179,513)	(8,001,171)
Deferred inflow 10/1/2016	(4,202,240)	(1,443,941)	(129,584)	(5,775,765)
Beginning net position, restated	<u>\$ 283,507,035</u>	<u>\$ 10,882,107</u>	<u>\$ 5,971,970</u>	<u>\$ 300,361,112</u>

The internal service fund is used by management to charge the costs of employee health insurance. This is the net position of the internal service fund reported with business-type activities

Total net position of business-type activities

(38,467)
\$ 300,322,645

Required Supplemental Information

CITY OF PORT ST. LUCIE, FLORIDA

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2017**

	Original Budget	Final Budget	Actual	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Positive (Negative)
REVENUES							
Taxes	\$ 57,309,588	\$ 57,603,799	\$ 57,689,767	\$ -	\$ -	\$ 57,689,767	\$ 85,968
Licenses and Permits	10,596,930	10,596,930	10,237,089	-	-	10,237,089	(359,841)
Intergovernmental	11,380,050	11,576,517	12,191,790	-	-	12,191,790	615,273
Charges for Services	3,146,291	3,146,791	3,078,891	-	-	3,078,891	(67,900)
Human Services Fees	70,600	70,600	48,870	-	-	48,870	(21,730)
Fines and Forfeitures	1,994,515	1,994,515	1,129,995	-	-	1,129,995	(864,520)
Interest on Investments	255,000	255,000	367,604	-	-	367,604	112,604
Impact Fees	246,000	246,000	503,224	-	-	503,224	257,224
Developers Contributions	34,200	40,700	45,775	-	-	45,775	5,075
Other	1,125,941	1,175,563	1,174,133	-	-	1,174,133	(1,430)
Total Revenues	86,159,115	86,706,415	86,467,138	-	-	86,467,138	(239,277)
EXPENDITURES							
General Government							
Legislative	573,364	576,803	561,623	-	-	561,623	15,180
Executive - City Manager	413,949	531,326	350,610	-	-	350,610	180,716
Executive - City Clerk	591,778	591,778	472,455	-	-	472,455	119,323
Financial and Administrative	1,256,889	1,264,700	1,216,140	-	-	1,216,140	48,560
Human Resources	577,472	645,255	387,716	-	-	387,716	257,539
Communications	775,672	785,672	628,572	-	73,635	702,207	83,465
Community Services	211,176	211,176	196,767	-	-	196,767	14,409
Risk Management	130,459	130,459	100,444	-	-	100,444	30,015
Information Services	2,653,699	2,781,494	2,329,818	-	32,940	2,362,758	418,736
Office of Management and Budget	160,100	255,020	229,840	-	-	229,840	25,180
Procurement Management	276,201	276,201	239,091	-	-	239,091	37,110
Legal Counsel	1,620,609	1,712,377	1,124,770	75,000	123,563	1,173,333	539,044
Comprehensive Planning	945,410	945,410	861,742	-	-	861,742	83,668
Other General Government	3,224,972	8,038,071	7,430,415	11,250	292,342	7,711,507	326,564
Total General Government	13,411,750	18,745,742	16,130,003	86,250	522,480	16,566,233	2,179,509
Public Safety:							
Community Services	4,837,764	4,820,541	4,221,952	-	131,369	4,353,321	467,220
Law Enforcement - Administrative	3,663,495	3,835,846	3,729,966	-	-	3,729,966	105,880
Special Investigations	1,856,510	1,839,510	1,604,049	-	-	1,604,049	235,461
Criminal Investigations	4,441,991	4,435,988	4,233,158	-	-	4,233,158	202,830
Voca/Domestic Violence Grant	94,528	151,589	147,444	-	-	147,444	4,145
Neighborhood Policing	26,052,323	27,847,640	27,102,666	86,409	-	27,016,257	831,383
Occupational Licenses	254,093	254,093	231,368	-	-	231,368	22,725
Code Compliance	1,779,055	1,779,055	1,429,680	-	-	1,429,680	349,375
Emergency and Disaster Relief	63,135	7,854,366	6,238,421	-	1,107,460	7,345,881	508,485
School Crossing Guards	366,134	366,134	328,003	-	-	328,003	38,131
Nuisance Abatement Program	274,327	274,327	218,461	-	-	218,461	55,866
Other Public Safety	26,850	26,850	15,866	-	-	15,866	10,984
Total Public Safety	43,710,205	53,485,939	49,501,034	86,409	1,238,829	50,653,454	2,832,485

CITY OF PORT ST. LUCIE, FLORIDA

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2017**

	Original Budget	Final Budget	Actual	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Positive (Negative)
Physical Environment:							
Other Physical Environment	273,996	273,996	249,890	-	-	249,890	24,106
Transportation:							
Municipal Garage	234,635	295,205	258,780	-	-	258,780	36,425
Economic Environment:							
Economic Development	5,691,718	8,206,540	8,156,605	-	-	8,156,605	49,935
Industry Development	201,657	201,657	101,524	-	-	101,524	100,133
Total Economic Environment	5,893,375	8,408,197	8,258,129	-	-	8,258,129	150,068
Human Services							
Animal Control	1,478,375	1,465,375	1,185,614	-	-	1,185,614	279,761
Culture and Recreation:							
Recreation	902,137	976,116	911,953	5,500	-	906,453	69,663
Administration	673,185	605,902	566,557	-	-	566,557	39,345
Parks	5,499,951	5,630,374	5,049,008	18,440	27,288	5,057,856	572,518
Airoso Community Center	980,249	878,433	850,786	-	-	850,786	27,647
Gymnasium	502,236	506,872	440,078	-	-	440,078	66,794
Turf Maintenance Division	837,713	837,713	712,241	-	-	712,241	125,472
Civic Center	2,168,791	2,465,520	1,596,022	3,600	703,892	2,296,314	169,206
Fitness Center	488,183	591,738	587,935	-	-	587,935	3,803
Botanical Gardens	167,392	167,692	133,746	-	-	133,746	33,946
Village Square Garage	1,301,403	1,038,713	748,375	-	-	748,375	290,338
Civic Center-Recreation	579,761	617,292	591,329	-	-	591,329	25,963
Civic Center-Hospitality	1,427,207	1,428,875	1,110,367	-	-	1,110,367	318,508
Special Events	55,747	55,170	19,299	-	-	19,299	35,871
Total Culture and Recreation	15,583,955	15,800,410	13,317,696	27,540	731,180	14,021,336	1,779,074
Debt Service							
Principal	-	955,000	955,000	-	-	955,000	-
Interest	1,867,044	912,044	912,044	-	-	912,044	-
Total Debt Service	1,867,044	1,867,044	1,867,044	-	-	1,867,044	-
Total Expenditures and Encumbrances	82,453,335	100,341,908	90,768,190	200,199	2,492,489	93,060,480	7,281,428
Excess Revenues over (under) expenditures	3,705,780	(13,635,493)	(4,301,052)	(200,199)	(2,492,489)	(6,593,342)	7,042,151
OTHER FINANCING SOURCES (USES)							
Transfers In	210,000	550,514	508,021	-	-	508,021	(42,493)
Transfers Out	(4,543,685)	(6,016,595)	(5,693,195)	-	-	(5,693,195)	323,400
Capital lease	-	1,284,187	1,284,187	-	-	1,284,187	-
Total Other Financing Sources (uses)	(4,333,685)	(4,181,894)	(3,900,987)	-	-	(3,900,987)	280,907
Net change in fund balance	\$ (627,905)	\$ (17,817,387)	(8,202,039)	\$ (200,199)	\$ (2,492,489)	\$ (10,494,329)	\$ 7,323,058
Fund Balance - beginning			29,801,250				
Fund Balance - ending			\$ 21,599,211				

CITY OF PORT ST. LUCIE, FLORIDA
Required Supplementary Information
Community Redevelopment Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017

	Original Budgeted Amount	Final Budgeted Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES							
Intergovernmental	\$ 1,190,896	\$ 1,256,237	\$ 1,235,776	\$ -	\$ -	\$ 1,235,776	\$ (20,461)
Interest on Investments	647	647	1,494	-	-	1,494	847
Other	18,500	18,500	20,060	-	-	20,060	1,560
Total revenues	1,210,043	1,275,384	1,257,330	-	-	1,257,330	(18,054)
EXPENDITURES							
Economic Environment	574,439	3,486,292	3,414,185	-	-	3,414,185	72,107
Capital Outlay	1,000	135	-	-	-	-	135
Principal	-	2,225,000	2,225,000	-	-	2,225,000	-
Interest	3,896,753	1,671,753	1,671,753	-	-	1,671,753	-
Total expenditures	4,472,192	7,383,180	7,310,938	-	-	7,310,938	72,242
Excess (deficiency) of revenues over (under) expenditures	(3,262,149)	(6,107,796)	(6,053,608)	-	-	(6,053,608)	54,188
OTHER FINANCING SOURCES (USES)							
Transfers In	1,388,537	4,237,084	4,215,135	-	-	4,215,135	(21,949)
Proceeds from Sale of Assets	1,800,000	1,800,000	1,800,000	-	-	1,800,000	-
Payment to Escrow Agent	-	(2,900)	(3,600)	-	-	(3,600)	(700)
Total other financing sources (uses)	3,188,537	6,034,184	6,011,535	-	-	6,011,535	(22,649)
Net change in fund balance	(73,612)	(73,612)	(42,073)	-	-	(42,073)	31,539
Fund balance - beginning	-	-	123,806	-	-	123,806	123,806
Fund balance - ending	\$ (73,612)	\$ (73,612)	\$ 81,733	\$ -	\$ -	\$ 81,733	\$ 155,345

CITY OF PORT ST. LUCIE, FLORIDA
Required Supplementary Information
SW Annexation District 1 Collection Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017

	Original Budgeted Amount	Final Budgeted Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES							
Licenses and Permits	\$ -	\$ -	\$ 33,931	\$ -	\$ -	\$ 33,931	\$ 33,931
Charges for Services	7,300,000	7,305,000	7,362,481	-	-	7,362,481	57,481
Interest on Investments	55,000	55,000	103,615	-	-	103,615	48,615
Total revenues	7,355,000	7,360,000	7,500,027	-	-	7,500,027	140,027
EXPENDITURES							
Physical Environment	235,000	240,000	114,310	-	-	114,310	125,690
Principal	-	2,350,000	2,350,000	-	-	2,350,000	-
Interest	6,472,000	4,122,000	2,916,800	-	-	2,916,800	1,205,200
Total expenditures	6,707,000	6,712,000	5,381,110	-	-	5,381,110	1,330,890
Excess (deficiency) of revenues over (under) expenditures	648,000	648,000	2,118,917	-	-	2,118,917	1,470,917
OTHER FINANCING SOURCES (USES)							
Transfers Out	-	-	(233,988)	-	-	(233,988)	(233,988)
Total other financing sources (uses)	-	-	(233,988)	-	-	(233,988)	(233,988)
Net change in fund balance	648,000	648,000	1,884,929	-	-	1,884,929	1,236,929
Fund balance - beginning	-	-	7,917,758	-	-	7,917,758	7,917,758
Fund balance - ending	\$ 648,000	\$ 648,000	\$ 9,802,687	\$ -	\$ -	\$ 9,802,687	\$ 9,154,687

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO SCHEDULES OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
September 30, 2017

The City's Office of Management and Budget prepares an annual operating budget for all governmental funds except Capital Project Funds which are subject to budgetary control on a project basis. The level of budgetary control is the department. The City Manager is authorized to transfer budgeted amounts within departments of any fund. Revisions that alter the budgeted totals of any department require approval of the City Council. Unencumbered appropriations lapse at year-end.

Budgets for general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles, except encumbrances are presented as expenditures.

Encumbrances – under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation in the governmental funds. Encumbrances outstanding at year-end are reported as fund balance - committed and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year when the corresponding expenditure will be recorded as paid.

CITY OF PORT ST. LUCIE, FLORIDA
MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST FUND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
September 30, 2017

	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>	<u>9/30/2013</u>
Total Pension Liability:					
Service cost	\$ 3,558,152	\$ 3,431,980	\$ 3,098,598	\$ 2,960,477	\$ 2,741,182
Interest	8,103,067	7,302,342	6,561,818	5,704,171	5,237,834
Change in excess state money	-	(1,508,953)	364,937	309,802	-
Changes of benefit terms	-	2,751,119	-	-	-
Differences between expected and actual experience	488,739	(660,201)	(572,414)	-	-
Changes of assumptions	3,830,114	2,757,260	2,550,583	-	-
Contributions - Buy Back	127,254	480,952	20,069	4,436,554	-
Benefit payments, including refunds of employee contributions	(3,701,299)	(2,511,841)	(2,572,372)	(2,465,108)	(2,273,086)
Net change in total pension liability	12,406,027	12,042,658	9,451,219	10,945,896	5,705,930
Total pension liability - beginning	102,848,206	90,805,548	81,354,329	70,408,433	64,702,503
Total pension liability - ending	<u>\$ 115,254,233</u>	<u>\$ 102,848,206</u>	<u>\$ 90,805,548</u>	<u>\$ 81,354,329</u>	<u>\$ 70,408,433</u>
Plan Fiduciary Net Position:					
Contributions - city	4,018,282	3,781,111	3,290,728	3,227,068	3,085,280
Contributions - state	1,296,741	1,247,468	1,082,037	1,026,902	972,480
Contributions - employees	1,559,054	1,489,224	1,406,225	1,408,036	1,238,897
Contributions - buy back	127,254	480,952	20,069	4,436,554	-
Net investment income	9,967,904	7,021,629	(301,010)	4,814,924	6,621,223
Benefit payments, including refunds of employee contributions	(3,701,299)	(2,511,841)	(2,572,372)	(2,465,108)	(2,273,086)
Administrative expense	(190,249)	(189,990)	(163,220)	(157,907)	(93,764)
Net change in plan fiduciary position	13,077,687	11,318,553	2,762,457	12,290,469	9,551,030
Plan fiduciary net position - beginning	81,774,843	70,456,290	67,693,833	55,403,364	45,852,334
Plan fiduciary net position - ending	<u>\$ 94,852,530</u>	<u>\$ 81,774,843</u>	<u>\$ 70,456,290</u>	<u>\$ 67,693,833</u>	<u>\$ 55,403,364</u>
Net pension liability	\$ 20,401,703	\$ 21,073,363	\$ 20,349,258	\$ 13,660,496	\$ 15,005,069
Plan fiduciary net position as a percentage of the total pension liability	82.30%	79.51%	77.59%	83.21%	78.69%
Covered payroll*	\$ 17,322,812	\$ 16,546,924	\$ 16,788,921	\$ 15,644,848	\$ 13,765,222
Net pension liability as a percentage of covered payroll	117.77%	127.36%	121.21%	87.32%	109.01%

Note: Information provided above was obtained from an actuarial valuation; information prior to fiscal year 2013 was not available.

* The Covered employee payroll numbers shown are in compliance with GASB 82, except for the 9/30/2015 measurement period which includes DROP payroll.

CITY OF PORT ST. LUCIE, FLORIDA
MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST FUND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
September 30, 2017

Notes to Schedule

Changes of benefit terms:

For measurement date 9/30/2016, amounts reported as changes of benefit terms was a result of Ordinance 16-28, effective June 23, 2016, providing for an increase in the benefit accrual rate from 3.09% to 3.27% for all years of service for members retiring on or after October 1, 2015.

Changes of assumptions:

For measurement date 9/30/2017, as a result of the experience study dated July 10, 2017, the Pension Board has adopted changes to:

- Payroll growth
- Salary increases
- Investment return
- Mortality rates
- Normal and early retirement rates
- Withdrawal rates

For measurement date 9/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees.

The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

For measurement date 9/30/2015, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 8.00% to 7.75%.

CITY OF PORT ST. LUCIE, FLORIDA
MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST FUND
SCHEDULE OF CONTRIBUTIONS
September 30, 2017

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>	<u>9/30/2013</u>
Actuarially determined contribution	\$ 5,100,319	\$ 4,498,211	\$ 4,007,828	\$ 3,944,168	\$ 3,802,380
Contributions in relation to the actuarially determined contributions	5,315,023	5,028,579	4,007,828	3,944,168	3,802,380
Contribution deficiency (excess)	\$ (214,704)	\$ (530,368)	\$ -	\$ -	\$ -
Covered payroll *	\$ 17,322,812	\$ 16,546,924	\$ 16,788,921	\$ 15,644,848	\$ 13,765,522
Contributions as a percentage of covered payroll	30.68%	30.39%	23.87%	25.21%	27.62%

Note: Information provided above was obtained from an actuarial valuation; information prior to fiscal year 2013 was not available.

* The Covered employee payroll numbers shown are in compliance with GASB 82, except for the 9/30/2015 measurement period which includes DROP payroll.

CITY OF PORT ST. LUCIE, FLORIDA
MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST FUND
SCHEDULE OF CONTRIBUTIONS
September 30, 2017

Notes to Schedule

Valuation Date: 10/01/2015

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding method:	Entry age normal actuarial cost method. The following loads are applied for determination of the City's funding requirement: Interest – A half year, based on the current 7.75% assumption. Salary – A full year, based on the current average assumption of 6.6%.		
Amortization method:	Level percentage of pay, closed.		
Remaining amortization period:	30 years (as of 10/01/2015).		
Mortality:	RP-2000 Table with no projection. (Disabled lives set forward 5 years) Based upon other studies of municipal Police Officers, the actuary feels this assumption sufficiently accommodates expected future mortality improvements.		
Interest Rate:	7.75% per year.		
Retirement age:	Number of years after first eligibility for normal retirement 0-4 5 or more Probability of retirement 40% 100%		
	Commencing with a member's eligibility for early retirement (age 50 with 10 years of service); Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.		
Salary increases:	Years of service Less than 5 5 – 10 10 – 15 15 -20 More than 20 Increase in compensation 8.00% 7.00% 6.50% 6.00% 5.50%		
Final salary load:	Credited service on 10/01/2012 10 or more years Between 5 and 10 years Less than 5 years Load assumption 20.00% 15.00% 0.00%		
Payroll increases:	4.97% per year		
Asset valuation:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4 year average market value return. It is possible that over time this technique will produce an insignificant bias above or below market value.		
Disability and Termination rates:	It is assumed that 75% of disablements and active member deaths are service related.		
	Age	% terminated during the year	% becoming disabled during the year
	20	12.00%	0.03%
	30	10.00%	0.04%
	40	5.20%	0.07%
	50	1.60%	0.18%

CITY OF PORT ST. LUCIE, FLORIDA
OTHER POST EMPLOYMENT BENEFITS TRUST FUND
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years

	<u>9/30/2017</u>
Total OPEB Liability	
Service cost	\$ 971,028
Interest	2,366,666
Changes in assumptions	7,763,903
Differences between expected and actual experience	(15,843,718)
Benefit payments	(840,620)
Net change in total OPEB liability	(5,582,741)
Total OPEB liability – beginning of year	34,222,697
Total OPEB liability – end of year (a)	<u>\$ 28,639,956</u>
 Plan Fiduciary Net Position	
Contributions – employer	\$ 1,600,620
Net investment income	1,322,358
Benefit payments	(840,620)
Net change in plan fiduciary position	2,082,357
Plan fiduciary net position – beginning of year	11,604,003
Plan fiduciary net position – end of year (b)	<u>\$ 13,686,361</u>
 Net OPEB liability – end of year (a) – (b)	<u><u>\$ 14,953,595</u></u>
 Plan fiduciary net position as % of total OPEB liability	47.8%
 Covered employee payroll	\$ 53,016,400
 Net OPEB liability as % of covered payroll	28.2%

Notes to Schedule:

Changes of assumptions: Actuarial cost method updated from Projected Unit Credit to Entry Age Normal. Payroll growth updated to most recent Florida Retirement System actuarial valuation as of June 30, 2016. Mortality table updated from RP-2000 Combined Mortality Table to SOA RPH-2014 Total dataset Mortality Table. Percentage of retirees that are assumed to elect spousal coverage at retirement updated from 50% to 10%. Health Insurance Subsidy election rate for future retirees updated from 35% to 40% before age 65 and from 17.5% to 20% after age 65. Health care trend rates updated to an initial rate of 9.0% decreasing by 0.5% annually to an ultimate rate of 3.5%. Dental and Vision trend rates updated to an initial rate of 4.5% decreasing by 0.25% annually to an ultimate rate of 3.5%.

Note: Information prior to FY 2017 is not available.

CITY OF PORT ST. LUCIE, FLORIDA
OTHER POST EMPLOYMENT BENEFITS TRUST FUND
SCHEDULE OF CONTRIBUTIONS
Last Ten Fiscal Years

	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially determined contribution (ADC)	N/A	\$ 2,687,958	\$ 1,541,210	\$ 1,538,791
Contributions in relation to ADC	\$1,600,620	\$ 2,086,609	\$ 1,617,361	\$ 1,767,900
Contribution deficiency/(excess)	N/A	\$ 601,349	\$ (76,151)	\$ (229,109)
Covered employee payroll	\$ 53,016,400	\$ 49,992,602	\$ 47,880,443	\$ 46,524,995
Contributions as % of covered employee payroll	3.0%	4.2%	3.4%	3.8%

Note: Information prior to FY 2014 is not available.

CITY OF PORT ST. LUCIE, FLORIDA
OTHER POST EMPLOYMENT BENEFITS TRUST FUND
SCHEDULE OF INVESTMENT RETURNS
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012
Annual money-weighted rate of return, net of investment expense	10.63%	10.31%	0.61%	11.68%	13.08%	18.83%

Note: Information prior to FY 2012 is not available.



"A City for All Ages"

Combining Statements and Schedules

NonMajor Government Funds

NONMAJOR GOVERNMENT FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The City maintains the following Special Revenue Funds:

Road and Bridge Fund – to account for expenditures associated with the maintenance and repair of the City's roads, bridges and right of way. Revenues are provided by gas taxes, an assignment of ad valorem taxes, charges for services and interfund transfers.

Street Lighting Fund – to account for expenditures of residential street lighting districts. Revenues are provided by assessments on all benefiting properties as authorized by Ordinance 09-64.

Law Enforcement Impact Fee Fund – to account for the receipt of law enforcement impact fees authorized by Ordinance 89-134 (as amended by Ordinance 13-27). Proceeds must be used for expenditures associated with law enforcement capital improvements and capital needs of new police officers required as a result of community growth.

Governmental Finance Corporation Fund- to account for lease payments from the City and public building impact fees authorized by Ordinance 06-64 (as amended by Ordinance 13-24) which are used to pay the principal and interest on the Certificates of Participation issued by the Governmental Finance Corporation.

Building Department Fund – Section 553.80(7), Florida Statutes, requires all revenues and expenditures associated with the protective inspections provided by the building department to be accounted for in a separate fund.

Water & Sewer Assessment Collection Fund – SAD I, Phase I- to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of water and sewer extensions and improvements in Special Assessment District I, Phase I.

Water & Sewer Assessment Collection Fund – SAD I, Phase II – to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of water and sewer extensions and improvements in Special Assessment District I, Phase II.

Water & Sewer Assessment Collection Fund – USA 3-4 – to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of water and sewer extensions and improvements in Special Assessment District 3-4.

Water & Sewer Assessment Collection Fund – USA 5-6-7A – to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of water and sewer extensions and improvements in Special Assessment District 5-6-7A.

Water & Sewer Assessment Collection Fund – USA 9 – to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of water and sewer extensions and improvements in Special Assessment District USA 9.

Neighborhood Services Fund - to account for general capital and non-capital improvements in specific areas of the city. Funding is provided by recycling revenues and rebates received from the city's waste disposal contractor.

South Lennard Road Special Assessment District Collection Fund – to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of roadway, drainage and water and sewer extensions and improvements in the South Lennard Road project.

River Point Special Assessment District Collection Fund – to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of financing roadways, drainage facilities and water and sewer extensions and improvements within the River Point Special Assessment District project.

Tesoro Special Assessment District Collection Fund – to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of financing roadways, drainage facilities, communications, public safety, re-use irrigation and water and sewer extensions and improvements within the Tesoro Special Assessment District project.

Glassman Special Assessment District Collection Fund - to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of financing roadways, drainage facilities and water and sewer extensions and improvements within the Glassman Special Assessment District project.

East Lake Village Special Assessment District Collection Fund - to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of financing roadways, drainage facilities and water and sewer extensions and improvements within the East Lake Village Special Assessment District project.

St. Lucie Land Holding Special Assessment District Collection Fund – to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of financing roadways, drainage facilities and water and sewer extensions and improvements within the St. Lucie Land Holding Special Assessment District project.

City Center Special Assessment District Collection Fund – to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of financing roadways, drainage facilities and water and sewer extensions and improvements within the City Center Special Assessment District project.

Peacock and Lowry Combined Special Assessment District Collection Fund – to account for the annual assessment collections and payment of principal and interest on the Special Assessments Bonds. Proceeds of the Bonds were used to pay the cost of financing roadways, drainage facilities and water and sewer extensions and improvements within the Peacock and Lowry Combined Special Assessment District project.

Economic Development Fund – to account for developer contributions dedicated to expenditures associated with development that stimulates the economy.

Wyndercrest DDMG Fund – to account for the lease payments from Digital Domain Media Group pledged for the payment of principal and interest on the 2010 Lease Revenue Bonds.

Community Development Block Grant (CDBG) Entitlement Fund – to account for the revenues and expenditures of the Federal Community Development Block Grant Funds which are used for the purpose of financing services and improvements beneficial to the moderate-to-low income earners of the community.

Local Housing Assistance Trust Fund – to account for the proceeds and expenditures of the funds provided by the State of Florida under the State Housing Initiative Partnership (SHIP) program. The source of these funds is from the documentary stamp tax and is used to provide financing for affordable housing to individuals in certain income ranges to assist in making repairs to their homes or in purchasing a new or existing home.

Neighborhood Stabilization Program NSP I and NSP III Grant Funds – to account for Federal Grant program revenues and expenditures to acquire, rehabilitate, demolish and redevelop foreclosed and abandoned residential properties in order to help stabilize neighborhoods.

National Pollution NPDES Fund – to account for the revenues and expenditures to comply with the state and federal regulation placed upon the City by EPA with the clean water act.

Law Enforcement Trust Fund – to account for revenues from confiscated property in accordance with the "Florida Contraband Forfeiture Act" and expenditures for the support of special crime fighting activities.

Conservation Trust Fund – to account for revenues from developers as required by Ordinance 92-30 (as amended by Ordinance 96-90) and interest income used for conservation programs of the City.

Solid Waste Fund - to account for annual special assessments imposed on all residential properties in the City. Solid waste special assessment revenues are used to pay the costs of waste collection for all residential properties in the City and the costs related to administration of the assessment program.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets.

The City maintains the following Capital Projects Funds:

Parks Capital Improvement Fund – to account for the receipt of parks and recreation impact fees authorized by Ordinance 05-86 (as amended by Ordinance 13-25). Proceeds must be used for the acquisition of land and construction of major capital parks improvements.

Capital Improvement Fund – to account for the revenues and expenditures associated with general major capital improvements and acquisitions. The funding resources include general tax revenue, interest income, bond proceeds, and transfers from other funds.

Road and Bridge Capital Improvement Fund – to account for revenues and expenditures associated with major road and culvert improvements, including the annual street resurfacing program. The funding resources include general tax revenues, road impact fees authorized by Ordinance 05-87 (as amended by Ordinance 13-26), interest income, and transfers from other funds.

Parks MSTU Capital Improvement Fund – to account for the use of specific voter approved ad-valorem taxes and expenditures associated with the Parks and Recreation improvement projects.

CITY OF PORT ST. LUCIE, FLORIDA

Combining Balance Sheet Nonmajor Governmental Funds September 30, 2017

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Investments	\$ 49,760,628	\$ 16,279,850	\$ 66,040,478
Accounts Receivable	706,168	-	706,168
Assessments Receivable	71,533,494	-	71,533,494
Due From Other Governmental Units	1,320,350	572,053	1,892,403
Prepaid Items	262	-	262
Deposits	11,032	-	11,032
Inventories	332,600	-	332,600
Restricted Equity in Pooled Cash and Investments	3,009,982	-	3,009,982
Total assets	<u>\$ 126,674,516</u>	<u>\$ 16,851,903</u>	<u>\$ 143,526,419</u>
Liabilities, deferred inflows, and fund balances			
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 1,811,858	\$ 1,630,905	\$ 3,442,763
Accrued Salaries and Wages	345,781	-	345,781
Due To Other Funds	193,431	-	193,431
Unearned Revenue	95,545	376	95,921
Deposits Payable	177,500	-	177,500
Retainage Payable	9,785	137,916	147,701
Total liabilities	<u>2,633,900</u>	<u>1,769,197</u>	<u>4,403,097</u>
Deferred inflows:			
Unavailable Revenue	<u>71,542,547</u>	<u>163,400</u>	<u>71,705,947</u>
Total deferred inflows	<u>71,542,547</u>	<u>163,400</u>	<u>71,705,947</u>
Fund balances:			
Nonspendable	14,206	-	14,206
Restricted	40,272,302	241,964	40,514,266
Committed	5,012,314	6,922,696	11,935,010
Assigned	7,199,247	7,754,646	14,953,893
Total fund balances	<u>52,498,069</u>	<u>14,919,306</u>	<u>67,417,375</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 126,674,516</u>	<u>\$ 16,851,903</u>	<u>\$ 143,526,419</u>



"A City for All Ages"

CITY OF PORT ST. LUCIE, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2017

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ 2,750,927	\$ -	\$ 2,750,927
Licenses and Permits	6,363,919	-	6,363,919
Intergovernmental	9,061,871	7,032,961	16,094,832
Charges for Services	42,156,876	-	42,156,876
Fines and Forfeitures	271,923	-	271,923
Interest on Investments	643,861	138,474	782,335
Impact Fees	4,885,329	2,935,287	7,820,616
Developers Contributions	67,839	10,512	78,351
Other	1,792,203	24,890	1,817,093
Total revenues	<u>67,994,748</u>	<u>10,142,124</u>	<u>78,136,872</u>
Expenditures			
Current:			
General Government	411	-	411
Public Safety	6,208,062	-	6,208,062
Physical Environment	17,994,771	-	17,994,771
Transportation	9,650,335	8,622,711	18,273,046
Economic Environment	3,017,272	-	3,017,272
Human Services	311,665	-	311,665
Culture and Recreation	79,862	2,139,976	2,219,838
Debt Service:			
Principal	21,760,000	-	21,760,000
Interest	3,903,450	-	3,903,450
Total expenditures	<u>62,925,828</u>	<u>10,762,687</u>	<u>73,688,515</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,068,920</u>	<u>(620,563)</u>	<u>4,448,357</u>
Other financing sources (uses)			
Transfers In	3,133,298	1,904,301	5,037,599
Transfers Out	(4,908,319)	(1,958,994)	(6,867,313)
Issuance of Debt	53,220,000	-	53,220,000
Premium on Issuance of Debt	4,992,750	-	4,992,750
Payment to Escrow Agent	(57,764,800)	-	(57,764,800)
Total other financing sources (uses)	<u>(1,327,071)</u>	<u>(54,693)</u>	<u>(1,381,764)</u>
Net change in fund balances	3,741,849	(675,256)	3,066,593
Fund balance - beginning	<u>48,756,220</u>	<u>15,594,562</u>	<u>64,350,782</u>
Fund balance - ending	<u>\$ 52,498,069</u>	<u>\$ 14,919,306</u>	<u>\$ 67,417,375</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2017**

	Road and Bridge Fund	Street Lighting Fund	Law Enforcement Impact Fund	Governmental Finance Fund	Building Department Fund	Phase I
Assets						
Equity in Pooled Cash and Investments	\$ 5,813,749	\$ 202,451	\$ 568,383	\$ 694,903	\$ 11,678,993	\$ 990,388
Accounts Receivable	112	-	-	-	-	-
Assessments Receivable	-	-	-	-	-	1,594
Due From Other Governmental Units	617,544	2,383	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Deposits	8,408	-	-	-	2,614	-
Inventories	-	-	-	-	-	-
Restricted Equity in Pooled Cash and Investments	-	-	-	-	-	-
Total assets	<u>\$ 6,439,813</u>	<u>\$ 204,834</u>	<u>\$ 568,383</u>	<u>\$ 694,903</u>	<u>\$ 11,681,607</u>	<u>\$ 991,982</u>
Liabilities, deferred inflows, and fund balances						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 168,167	\$ 35,939	\$ -	\$ -	\$ 1,049,740	\$ -
Accrued Salaries and Wages	181,717	-	-	-	147,312	-
Due To Other Funds	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	95,545	-
Deposits Payable	177,436	-	-	-	64	-
Retainage Payable	-	-	-	-	-	-
Total liabilities	<u>527,320</u>	<u>35,939</u>	<u>-</u>	<u>-</u>	<u>1,292,661</u>	<u>-</u>
Deferred inflows:						
Unavailable Revenue	<u>9,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,594</u>
Total deferred inflows	<u>9,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,594</u>
Fund balances:						
Nonspendable	10,947	-	-	-	3,259	-
Restricted	-	-	26,623	694,903	10,385,687	990,388
Committed	84,954	168,895	541,760	-	-	-
Assigned	<u>5,807,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>5,903,440</u>	<u>168,895</u>	<u>568,383</u>	<u>694,903</u>	<u>10,388,946</u>	<u>990,388</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 6,439,813</u>	<u>\$ 204,834</u>	<u>\$ 568,383</u>	<u>\$ 694,903</u>	<u>\$ 11,681,607</u>	<u>\$ 991,982</u>

Phase II	USA 3 and 4	USA 5 6 7A	USA 9	Neighborhood Services	S Lennard Rd	Riverpoint	Tesoro
\$ 1,937,853	\$ 11,855,063	\$ 1,111,277	\$ 101,600	\$ 1,141,998	\$ 244,278	\$ 719,554	\$ 3,270,808
-	-	-	-	53,052	-	-	-
16,723	3,972,543	10,293,769	1,961,631	-	839,761	3,677,759	7,296,972
29	25,569	19,347	1,858	-	1,405	11,449	15,891
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	493,000	-
<u>\$ 1,954,605</u>	<u>\$ 15,853,175</u>	<u>\$ 11,424,393</u>	<u>\$ 2,065,089</u>	<u>\$ 1,195,050</u>	<u>\$ 1,085,444</u>	<u>\$ 4,901,762</u>	<u>\$ 10,583,671</u>
\$ -	\$ -	\$ -	\$ 540	\$ 46,095	\$ -	\$ 540	\$ -
-	-	-	-	2,930	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	540	49,025	-	540	-
16,723	3,972,543	10,293,769	1,961,631	-	839,761	3,677,759	7,296,972
<u>16,723</u>	<u>3,972,543</u>	<u>10,293,769</u>	<u>1,961,631</u>	<u>-</u>	<u>839,761</u>	<u>3,677,759</u>	<u>7,296,972</u>
-	-	-	-	-	-	-	-
1,937,882	11,880,632	1,130,624	102,918	-	-	1,223,463	3,286,699
-	-	-	-	-	-	-	-
-	-	-	-	1,146,025	245,683	-	-
<u>1,937,882</u>	<u>11,880,632</u>	<u>1,130,624</u>	<u>102,918</u>	<u>1,146,025</u>	<u>245,683</u>	<u>1,223,463</u>	<u>3,286,699</u>
<u>\$ 1,954,605</u>	<u>\$ 15,853,175</u>	<u>\$ 11,424,393</u>	<u>\$ 2,065,089</u>	<u>\$ 1,195,050</u>	<u>\$ 1,085,444</u>	<u>\$ 4,901,762</u>	<u>\$ 10,583,671</u>

(Continued)

CITY OF PORT ST. LUCIE, FLORIDA

**Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2017**

	Glassman	East Lake Village Fund	St Lucie Land Holdings	City Center Fund	Combined SAD Fund	Economic Development Fund
Assets						
Equity in Pooled Cash and Investments	\$ 233,510	\$ 1,009,288	\$ 1,142,307	\$ 21,710	\$ 88,796	\$ 3,032,993
Accounts Receivable	-	-	-	-	-	-
Assessments Receivable	5,197,192	3,899,509	12,861,779	19,175,909	2,338,353	-
Due From Other Governmental Units	5,371	13,723	9,446	46,097	1,786	-
Prepaid Items	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Restricted Equity in Pooled Cash and Investments	867,856	-	-	-	325,932	-
Total assets	<u>\$ 6,303,929</u>	<u>\$ 4,922,520</u>	<u>\$ 14,013,532</u>	<u>\$ 19,243,716</u>	<u>\$ 2,754,867</u>	<u>\$ 3,032,993</u>
Liabilities, deferred inflows, and fund balances						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 635	\$ -	\$ -	\$ 2,000
Accrued Salaries and Wages	-	-	-	-	-	-
Due To Other Funds	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-
Deposits Payable	-	-	-	-	-	-
Retainage Payable	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>635</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
Deferred inflows:						
Unavailable Revenue	5,197,192	3,899,509	12,861,779	19,175,909	2,338,353	-
Total deferred inflows	<u>5,197,192</u>	<u>3,899,509</u>	<u>12,861,779</u>	<u>19,175,909</u>	<u>2,338,353</u>	<u>-</u>
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	1,106,737	1,023,011	1,151,118	67,807	416,514	-
Committed	-	-	-	-	-	3,030,993
Assigned	-	-	-	-	-	-
Total fund balances	<u>1,106,737</u>	<u>1,023,011</u>	<u>1,151,118</u>	<u>67,807</u>	<u>416,514</u>	<u>3,030,993</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 6,303,929</u>	<u>\$ 4,922,520</u>	<u>\$ 14,013,532</u>	<u>\$ 19,243,716</u>	<u>\$ 2,754,867</u>	<u>\$ 3,032,993</u>

Wyndcrest DDMG Fund	CDBG Entitlement Fund	Local Housing Assistance Trust Fund	Neighborhood Stabilization Funds	National Pollution NPDES Fund	Law Enforcement Forfeiture Trust Fund	Conservation Trust Fund	Solid Waste Fund
\$ 472,670	\$ -	\$ 1,550,049	\$ 393,171	\$ 159,891	\$ 139,233	\$ 1,185,712	\$ -
-	-	-	653,004	-	-	-	-
-	-	-	-	-	-	-	-
-	449,242	-	-	-	-	-	99,210
-	-	-	-	-	262	-	-
-	-	-	-	10	-	-	-
-	-	-	332,600	-	-	-	-
1,323,194	-	-	-	-	-	-	-
<u>\$ 1,795,864</u>	<u>\$ 449,242</u>	<u>\$ 1,550,049</u>	<u>\$ 1,378,775</u>	<u>\$ 159,901</u>	<u>\$ 139,495</u>	<u>\$ 1,185,712</u>	<u>\$ 99,210</u>
\$ -	\$ 331,460	\$ 150,120	\$ 879	\$ 964	\$ 23,459	\$ -	\$ 1,320
-	6,289	4,890	541	2,102	-	-	-
-	95,541	-	-	-	-	-	97,890
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	9,785	-	-	-	-	-	-
-	443,075	155,010	1,420	3,066	23,459	-	99,210
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,795,864	6,167	1,395,039	1,377,355	156,835	116,036	-	-
-	-	-	-	-	-	1,185,712	-
-	-	-	-	-	-	-	-
<u>1,795,864</u>	<u>6,167</u>	<u>1,395,039</u>	<u>1,377,355</u>	<u>156,835</u>	<u>116,036</u>	<u>1,185,712</u>	<u>-</u>
<u>\$ 1,795,864</u>	<u>\$ 449,242</u>	<u>\$ 1,550,049</u>	<u>\$ 1,378,775</u>	<u>\$ 159,901</u>	<u>\$ 139,495</u>	<u>\$ 1,185,712</u>	<u>\$ 99,210</u>

(Continued)

CITY OF PORT ST. LUCIE, FLORIDA

**Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2017**

	Total Nonmajor Special Revenue Funds
Assets	
Equity in Pooled Cash and Investments	\$ 49,760,628
Accounts Receivable	706,168
Assessments Receivable	71,533,494
Due From Other Governmental Units	1,320,350
Prepaid Items	262
Deposits	11,032
Inventories	332,600
Restricted Equity in Pooled Cash and Investments	<u>3,009,982</u>
Total assets	<u>\$ 126,674,516</u>
Liabilities, deferred inflows, and fund balances	
Liabilities:	
Accounts Payable and Accrued Liabilities	\$ 1,811,858
Accrued Salaries and Wages	345,781
Due To Other Funds	193,431
Unearned Revenue	95,545
Deposits Payable	177,500
Retainage Payable	<u>9,785</u>
Total liabilities	<u>2,633,900</u>
Deferred inflows:	
Unavailable Revenue	<u>71,542,547</u>
Total deferred inflows	<u>71,542,547</u>
Fund balances:	
Nonspendable	14,206
Restricted	40,272,302
Committed	5,012,314
Assigned	<u>7,199,247</u>
Total fund balances	<u>52,498,069</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 126,674,516</u>



"A City for All Ages"

CITY OF PORT ST. LUCIE, FLORIDA

**Combining Balance Sheet
Nonmajor Capital Project Funds
September 30, 2017**

	Parks Capital Improvement Fund	Capital Improvement Fund	Road and Bridge Capital Improvement Fund	Parks MSTU Fund	Total Nonmajor Capital Projects Funds
Assets					
Equity in Pooled Cash and Investments	\$ 2,426,531	\$ 4,027,520	\$ 9,646,812	\$ 178,987	\$ 16,279,850
Due From Other Governmental Units	-	-	509,076	62,977	572,053
Total assets	<u>\$ 2,426,531</u>	<u>\$ 4,027,520</u>	<u>\$ 10,155,888</u>	<u>\$ 241,964</u>	<u>\$ 16,851,903</u>
Liabilities and fund balances					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ -	\$ 18,025	\$ 1,612,880	\$ -	\$ 1,630,905
Unearned Revenue	-	-	376	-	376
Retainage Payable	-	-	137,916	-	137,916
Total liabilities	<u>-</u>	<u>18,025</u>	<u>1,751,172</u>	<u>-</u>	<u>1,769,197</u>
Deferred inflows:					
Unavailable Revenue	<u>-</u>	<u>-</u>	<u>163,400</u>	<u>-</u>	<u>163,400</u>
Total deferred inflows	<u>-</u>	<u>-</u>	<u>163,400</u>	<u>-</u>	<u>163,400</u>
Fund balances:					
Restricted	-	-	-	241,964	241,964
Committed	2,426,531	821,187	3,674,978	-	6,922,696
Assigned	<u>-</u>	<u>3,188,308</u>	<u>4,566,338</u>	<u>-</u>	<u>7,754,646</u>
Total fund balances	<u>2,426,531</u>	<u>4,009,495</u>	<u>8,241,316</u>	<u>241,964</u>	<u>14,919,306</u>
Total liabilities and fund balances	<u>\$ 2,426,531</u>	<u>\$ 4,027,520</u>	<u>\$ 10,155,888</u>	<u>\$ 241,964</u>	<u>\$ 16,851,903</u>



"A City for All Ages"

CITY OF PORT ST. LUCIE, FLORIDA

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended September 30, 2017**

	Road and Bridge Fund	Street Lighting Fund	Law Enforcement Impact Fund	Governmental Finance Fund	Building Department Fund	Phase I
Revenues						
Taxes	\$ 2,750,927	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	22,000	-	-	-	6,341,919	-
Intergovernmental	6,991,863	-	-	-	-	-
Charges for Services	330,721	417,974	-	-	20	-
Fines and Forfeitures	-	-	-	-	241,381	-
Interest on Investments	68,654	3,215	6,918	22,966	123,899	18,472
Impact Fees	-	-	373,616	4,343,971	167,742	-
Developers Contributions	-	-	-	-	67,839	-
Other	276,155	-	1,025	-	403,439	-
Total revenues	10,440,320	421,189	381,559	4,366,937	7,346,239	18,472
Expenditures						
Current:						
General Government	-	-	-	411	-	-
Public Safety	-	-	37,564	-	6,099,082	-
Physical Environment	-	-	-	246,258	-	-
Transportation	9,144,053	427,349	-	-	-	-
Economic Environment	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal	640,000	-	-	2,520,000	-	-
Interest	522,513	-	-	1,223,458	-	-
Total expenditures	10,306,566	427,349	37,564	3,990,127	6,099,082	-
Excess (deficiency) of revenues over expenditures	133,754	(6,160)	343,995	376,810	1,247,157	18,472
Other financing sources (uses)						
Transfers In	-	-	1,819	-	-	-
Transfers Out	(96,870)	-	(316,400)	-	(39,257)	(900,000)
Issuance of Debt	-	-	-	30,875,000	-	-
Premium on Issuance of Debt	-	-	-	4,992,750	-	-
Payment to Escrow Agent	-	-	-	(35,615,772)	-	-
Total other financing sources (uses)	(96,870)	-	(314,581)	251,978	(39,257)	(900,000)
Net change in fund balances	36,884	(6,160)	29,414	628,788	1,207,900	(881,528)
Fund balance - beginning	5,866,556	175,055	538,969	66,115	9,181,046	1,871,916
Fund balance - ending	\$ 5,903,440	\$ 168,895	\$ 568,383	\$ 694,903	\$ 10,388,946	\$ 990,388

Phase II	USA 3 and 4	USA 5 6 7A	USA 9	Neighborhood Services	S Lennard Rd	Riverpoint	Tesoro
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,155	4,124,515	3,184,475	324,217	264,000	246,875	727,877	2,772,375
-	-	-	-	-	-	-	-
23,127	114,286	14,882	1,594	17,158	4,415	10,438	31,318
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	568,296	-	-	-
24,282	4,238,801	3,199,357	325,811	849,454	251,290	738,315	2,803,693
-	-	-	-	-	-	-	-
-	-	-	-	758	-	-	-
17	59,339	43,270	5,739	-	3,559	13,512	39,750
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	311,665	-	-	-
-	-	-	-	-	-	-	-
-	-	2,800,000	300,000	-	-	450,000	4,725,000
-	-	220,075	49,844	-	-	50,538	49,919
17	59,339	3,063,345	355,583	312,423	3,559	514,050	4,814,669
24,265	4,179,462	136,012	(29,772)	537,031	247,731	224,265	(2,010,976)
-	-	-	-	1,458,994	-	-	-
(771,528)	(891,272)	-	-	(850,000)	(250,000)	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(771,528)	(891,272)	-	-	608,994	(250,000)	-	-
(747,263)	3,288,190	136,012	(29,772)	1,146,025	(2,269)	224,265	(2,010,976)
2,685,145	8,592,442	994,612	132,690	-	247,952	999,198	5,297,675
\$ 1,937,882	\$ 11,880,632	\$ 1,130,624	\$ 102,918	\$ 1,146,025	\$ 245,683	\$ 1,223,463	\$ 3,286,699

(Continued)

CITY OF PORT ST. LUCIE, FLORIDA

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended September 30, 2017**

	Glassman	East Lake Village Fund	St Lucie Land Holdings	City Center Fund	Combined SAD Fund	Economic Development Fund
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	940,818	1,305,082	1,660,129	8,101,559	313,870	-
Fines and Forfeitures	-	-	-	-	-	-
Interest on Investments	12,554	7,758	12,413	11,475	4,600	30,163
Impact Fees	-	-	-	-	-	-
Developers Contributions	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>953,372</u>	<u>1,312,840</u>	<u>1,672,542</u>	<u>8,113,034</u>	<u>318,470</u>	<u>30,163</u>
Expenditures						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Physical Environment	15,209	19,334	26,871	301,083	5,932	-
Transportation	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal	800,000	240,000	1,000,000	8,005,000	280,000	-
Interest	<u>118,350</u>	<u>200,063</u>	<u>440,810</u>	<u>994,353</u>	<u>33,527</u>	<u>-</u>
Total expenditures	<u>933,559</u>	<u>459,397</u>	<u>1,467,681</u>	<u>9,300,436</u>	<u>319,459</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>19,813</u>	<u>853,443</u>	<u>204,861</u>	<u>(1,187,402)</u>	<u>(989)</u>	<u>30,163</u>
Other financing sources (uses)						
Transfers In	-	-	-	1,047,000	-	-
Transfers Out	-	-	-	-	-	-
Issuance of Debt	-	-	-	22,345,000	-	-
Premium on Issuance of Debt	-	-	-	-	-	-
Payment to Escrow Agent	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,149,028)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,242,972</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>19,813</u>	<u>853,443</u>	<u>204,861</u>	<u>55,570</u>	<u>(989)</u>	<u>30,163</u>
Fund balance - beginning	<u>1,086,924</u>	<u>169,568</u>	<u>946,257</u>	<u>12,237</u>	<u>417,503</u>	<u>3,000,830</u>
Fund balance - ending	<u>\$ 1,106,737</u>	<u>\$ 1,023,011</u>	<u>\$ 1,151,118</u>	<u>\$ 67,807</u>	<u>\$ 416,514</u>	<u>\$ 3,030,993</u>

Wyndcrest DDMG Fund	CDBG Entitlement Fund	Local Housing Assistance Trust Fund	Neighborhood Stabilization Funds	National Pollution NPDES Fund	Law Enforcement Forfeiture Trust Fund	Conservation Trust Fund	Solid Waste Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	924,844	1,145,164	-	-	-	-	-
-	-	-	-	84,653	-	35,752	17,320,809
-	-	-	-	-	30,542	-	-
17,860	-	15,318	3,335	1,529	1,586	12,332	51,596
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	3,753	373,336	152,558	-	13,641	-	-
17,860	928,597	1,533,818	155,893	86,182	45,769	48,084	17,372,405
-	-	-	-	-	-	-	-
-	-	-	-	-	70,658	-	-
-	-	-	-	-	-	-	17,214,898
-	-	-	-	78,933	-	-	-
-	1,545,185	1,200,971	271,116	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	79,862	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,545,185	1,200,971	271,116	78,933	70,658	79,862	17,214,898
17,860	(616,588)	332,847	(115,223)	7,249	(24,889)	(31,778)	157,507
-	625,485	-	-	-	-	-	-
-	-	-	(625,485)	-	(10,000)	-	(157,507)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	625,485	-	(625,485)	-	(10,000)	-	(157,507)
17,860	8,897	332,847	(740,708)	7,249	(34,889)	(31,778)	-
1,778,004	(2,730)	1,062,192	2,118,063	149,586	150,925	1,217,490	-
\$ 1,795,864	\$ 6,167	\$ 1,395,039	\$ 1,377,355	\$ 156,835	\$ 116,036	\$ 1,185,712	\$ -

(Continued)

CITY OF PORT ST. LUCIE, FLORIDA

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended September 30, 2017**

	Total Nonmajor Special Revenue Funds
Revenues	
Taxes	\$ 2,750,927
Licenses and Permits	6,363,919
Intergovernmental	9,061,871
Charges for Services	42,156,876
Fines and Forfeitures	271,923
Interest on Investments	643,861
Impact Fees	4,885,329
Developers Contributions	67,839
Other	<u>1,792,203</u>
Total revenues	<u>67,994,748</u>
Expenditures	
Current:	
General Government	411
Public Safety	6,208,062
Physical Environment	17,994,771
Transportation	9,650,335
Economic Environment	3,017,272
Human Services	311,665
Culture and Recreation	79,862
Debt Service:	
Principal	21,760,000
Interest	<u>3,903,450</u>
Total expenditures	<u>62,925,828</u>
Excess (deficiency) of revenues over expenditures	<u>5,068,920</u>
Other financing sources (uses)	
Transfers In	3,133,298
Transfers Out	(4,908,319)
Issuance of Debt	53,220,000
Premium on Issuance of Debt	4,992,750
Payment to Escrow Agent	<u>(57,764,800)</u>
Total other financing sources (uses)	<u>(1,327,071)</u>
Net change in fund balances	3,741,849
Fund balance - beginning	<u>48,756,220</u>
Fund balance - ending	<u><u>\$ 52,498,069</u></u>



"A City for All Ages"

CITY OF PORT ST. LUCIE, FLORIDA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Capital Project Funds Year Ended September 30, 2017

	Parks Capital Improvement Fund	Capital Improvement Fund	Road and Bridge Capital Improvement Fund	Parks MSTU Fund	Neighborhood Improvement Fund	Total Nonmajor Capital Projects Funds
Revenues						
Intergovernmental	\$ -	\$ 250,000	\$ 5,133,626	\$ 1,649,335	\$ -	\$ 7,032,961
Interest on Investments	23,040	24,610	88,479	2,345	-	138,474
Impact Fees	1,148,788	-	1,786,499	-	-	2,935,287
Developers Contributions	-	-	10,512	-	-	10,512
Other	-	-	24,890	-	-	24,890
Total revenues	1,171,828	274,610	7,044,006	1,651,680	-	10,142,124
Expenditures						
Current:						
Transportation	-	-	8,622,711	-	-	8,622,711
Culture and Recreation	-	339,976	-	1,800,000	-	2,139,976
Debt Service:						
Total expenditures	-	339,976	8,622,711	1,800,000	-	10,762,687
Excess (deficiency) of revenues over (under) expenditures	1,171,828	(65,366)	(1,578,705)	(148,320)	-	(620,563)
Other financing sources (uses)						
Transfers In	-	1,600,000	304,301	-	-	1,904,301
Transfers Out	(500,000)	-	-	-	(1,458,994)	(1,958,994)
Total other financing sources (uses)	(500,000)	1,600,000	304,301	-	(1,458,994)	(54,693)
Net change in fund balances	671,828	1,534,634	(1,274,404)	(148,320)	(1,458,994)	(675,256)
Fund balance - beginning	1,754,703	2,474,861	9,515,720	390,284	1,458,994	15,594,562
Fund balance - ending	\$ 2,426,531	\$ 4,009,495	\$ 8,241,316	\$ 241,964	\$ -	\$ 14,919,306

CITY OF PORT ST. LUCIE, FLORIDA

**General Obligation Bonds Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	Final Budgeted Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Taxes	\$ 9,200,729	\$ 9,287,753	\$ -	\$ -	\$ 9,287,753	\$ 87,024
Interest on Investments	20,000	50,078	-	-	50,078	30,078
Total revenues	9,220,729	9,337,831	-	-	9,337,831	117,102
EXPENDITURES						
Transportation	477,712	474,776	-	-	474,776	2,936
Principal	2,995,000	2,995,000	-	-	2,995,000	-
Interest	5,061,528	4,913,570	-	-	4,913,570	147,958
Total expenditures	8,534,240	8,383,346	-	-	8,383,346	150,894
Excess (deficiency) of revenues over (under) expenditures	686,489	954,485	-	-	954,485	267,996
OTHER FINANCING SOURCES (USES)						
Issuance of Debt	38,284,684	37,075,000	-	-	37,075,000	(1,209,684)
Premium on Issuance of Debt	-	1,209,684	-	-	1,209,684	1,209,684
Payment to Escrow Agent	(37,796,307)	(37,796,307)	-	-	(37,796,307)	-
Total other financing sources (uses)	488,377	488,377	-	-	488,377	-
Net change in fund balance	\$ 1,174,866	\$ 1,442,862	\$ -	\$ -	\$ 1,442,862	\$ 267,996

CITY OF PORT ST. LUCIE, FLORIDA

**Crosstown Parkway Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	Final Budgeted Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Intergovernmental	\$ -	\$ 17,585,374	\$ -	\$ -	\$ 17,585,374	\$ 17,585,374
Interest on Investments	50,000	241,531	-	-	241,531	191,531
Other	100,000	33,369	-	-	33,369	(66,631)
Total revenues	150,000	17,860,274	-	-	17,860,274	17,710,274
EXPENDITURES						
Transportation	88,837,941	21,507,531	-	-	21,507,531	67,330,410
Capital Outlay	(2,791,210)	-	-	-	-	(2,791,210)
Total expenditures	86,046,731	21,507,531	-	-	21,507,531	64,539,200
Excess (deficiency) of revenues over (under) expenditures	(85,896,731)	(3,647,257)	-	-	(3,647,257)	82,249,474
OTHER FINANCING SOURCES (USES)						
Transfers In	4,552,800	1,512,800	-	-	1,512,800	(3,040,000)
Total other financing sources (uses)	4,552,800	1,512,800	-	-	1,512,800	(3,040,000)
Net change in fund balance	\$ (81,343,931)	\$ (2,134,457)	\$ -	\$ -	\$ (2,134,457)	\$ 79,209,474

CITY OF PORT ST. LUCIE, FLORIDA

**Road and Bridge Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	Final Budgeted Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Taxes	\$ 2,728,601	\$ 2,750,927	\$ -	\$ -	\$ 2,750,927	\$ 22,326
Licenses and Permits	-	22,000	-	-	22,000	22,000
Intergovernmental	7,257,685	6,991,863	-	-	6,991,863	(265,822)
Charges for Services	147,600	330,721	-	-	330,721	183,121
Interest on Investments	30,000	68,654	-	-	68,654	38,654
Other	169,500	276,155	-	-	276,155	106,655
Total revenues	10,333,386	10,440,320	-	-	10,440,320	106,934
EXPENDITURES						
Transportation	10,143,092	9,144,053	-	84,954	9,229,007	914,085
Principal	640,000	640,000	-	-	640,000	-
Interest	522,513	522,513	-	-	522,513	-
Total expenditures	11,305,605	10,306,566	-	84,954	10,391,520	914,085
Excess (deficiency) of revenues over (under) expenditures	(972,219)	133,754	-	(84,954)	48,800	1,021,019
OTHER FINANCING SOURCES (USES)						
Transfers Out	(97,852)	(96,870)	-	-	(96,870)	982
Total other financing sources (uses)	(97,852)	(96,870)	-	-	(96,870)	982
Net change in fund balance	\$ (1,070,071)	\$ 36,884	\$ -	\$ (84,954)	\$ (48,070)	\$ 1,022,001

CITY OF PORT ST. LUCIE, FLORIDA

**Street Lighting Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Charges for Services	\$ 397,108	\$ 417,974	\$ -	\$ -	\$ 417,974	\$ 20,866
Interest on Investments	1,498	3,215	-	-	3,215	1,717
Total revenues	<u>398,606</u>	<u>421,189</u>	<u>-</u>	<u>-</u>	<u>421,189</u>	<u>22,583</u>
EXPENDITURES						
Transportation	<u>460,527</u>	<u>427,349</u>	<u>-</u>	<u>-</u>	<u>427,349</u>	<u>33,178</u>
Total expenditures	<u>460,527</u>	<u>427,349</u>	<u>-</u>	<u>-</u>	<u>427,349</u>	<u>33,178</u>
Net change in fund balance	<u>\$ (61,921)</u>	<u>\$ (6,160)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,160)</u>	<u>\$ 55,761</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Law Enforcement Impact Fee Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Interest on Investments	\$ 2,500	\$ 6,918	\$ -	\$ -	\$ 6,918	\$ 4,418
Impact Fees	265,000	373,616	-	-	373,616	108,616
Other	-	1,025	-	-	1,025	1,025
Total revenues	<u>267,500</u>	<u>381,559</u>	<u>-</u>	<u>-</u>	<u>381,559</u>	<u>114,059</u>
EXPENDITURES						
Public Safety	134,200	37,564	-	26,623	64,187	70,013
Total expenditures	<u>134,200</u>	<u>37,564</u>	<u>-</u>	<u>26,623</u>	<u>64,187</u>	<u>70,013</u>
Excess (deficiency) of revenues over (under) expenditures	133,300	343,995	-	(26,623)	317,372	184,072
OTHER FINANCING SOURCES (USES)						
Transfers In	1,819	1,819	-	-	1,819	-
Transfers Out	<u>(316,400)</u>	<u>(316,400)</u>	<u>-</u>	<u>-</u>	<u>(316,400)</u>	<u>-</u>
Total other financing sources (uses)	<u>(314,581)</u>	<u>(314,581)</u>	<u>-</u>	<u>-</u>	<u>(314,581)</u>	<u>-</u>
Net change in fund balance	<u>\$ (181,281)</u>	<u>\$ 29,414</u>	<u>\$ -</u>	<u>\$ (26,623)</u>	<u>\$ 2,791</u>	<u>\$ 184,072</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Governmental Finance Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	Final Budgeted Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Interest on Investments	\$ 13,200	\$ 22,966	\$ -	\$ -	\$ 22,966	\$ 9,766
Impact Fees	3,424,594	4,343,971	-	-	4,343,971	919,377
Total revenues	3,437,794	4,366,937	-	-	4,366,937	929,143
EXPENDITURES						
General Government	3,345	411	-	-	411	2,934
Physical Environment	256,571	246,258	-	-	246,258	10,313
Principal	3,750,000	2,520,000	-	-	2,520,000	1,230,000
Interest	(6,825)	1,223,458	-	-	1,223,458	(1,230,283)
Total expenditures	4,003,091	3,990,127	-	-	3,990,127	12,964
Excess (deficiency) of revenues over (under) expenditures	(565,297)	376,810	-	-	376,810	942,107
OTHER FINANCING SOURCES (USES)						
Transfers In	266,366	-	-	-	-	(266,366)
Issuance of Debt	35,867,750	30,875,000	-	-	30,875,000	(4,992,750)
Premium on Issuance of Debt	-	4,992,750	-	-	4,992,750	4,992,750
Payment to Escrow Agent	(35,615,773)	(35,615,772)	-	-	(35,615,772)	1
Total other financing sources (uses)	518,343	251,978	-	-	251,978	(266,365)
Net change in fund balance	\$ (46,954)	\$ 628,788	\$ -	\$ -	\$ 628,788	\$ 675,742

CITY OF PORT ST. LUCIE, FLORIDA

**Building Department Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Licenses and Permits	\$ 5,308,039	\$ 6,341,919	\$ -	\$ -	\$ 6,341,919	\$ 1,033,880
Charges for Services	100	20	-	-	20	(80)
Fines and Forfeitures	279,700	241,381	-	-	241,381	(38,319)
Interest on Investments	35,000	123,899	-	-	123,899	88,899
Impact Fees	85,000	167,742	-	-	167,742	82,742
Developers Contributions	40,000	67,839	-	-	67,839	27,839
Other	391,571	403,439	-	-	403,439	11,868
Total revenues	<u>6,139,410</u>	<u>7,346,239</u>	<u>-</u>	<u>-</u>	<u>7,346,239</u>	<u>1,206,829</u>
EXPENDITURES						
Public Safety	<u>6,770,520</u>	<u>6,099,082</u>	<u>136,864</u>	<u>204,905</u>	<u>6,167,123</u>	<u>603,397</u>
Total expenditures	<u>6,770,520</u>	<u>6,099,082</u>	<u>136,864</u>	<u>204,905</u>	<u>6,167,123</u>	<u>603,397</u>
Excess (deficiency) of revenues over (under) expenditures	(631,110)	1,247,157	(136,864)	(204,905)	1,179,116	1,810,226
OTHER FINANCING SOURCES (USES)						
Transfers Out	<u>(43,883)</u>	<u>(39,257)</u>	<u>-</u>	<u>-</u>	<u>(39,257)</u>	<u>4,626</u>
Total other financing sources (uses)	<u>(43,883)</u>	<u>(39,257)</u>	<u>-</u>	<u>-</u>	<u>(39,257)</u>	<u>4,626</u>
Net change in fund balance	<u>\$ (674,993)</u>	<u>\$ 1,207,900</u>	<u>\$ (136,864)</u>	<u>\$ (204,905)</u>	<u>\$ 1,139,859</u>	<u>\$ 1,814,852</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Phase I
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Interest on Investments	\$ 8,000	\$ 18,472	\$ -	\$ -	\$ 18,472	\$ 10,472
Total revenues	<u>8,000</u>	<u>18,472</u>	<u>-</u>	<u>-</u>	<u>18,472</u>	<u>10,472</u>
EXPENDITURES						
Physical Environment	<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>
Total expenditures	<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>
Excess (deficiency) of revenues over (under) expenditures	7,950	18,472	-	-	18,472	10,522
OTHER FINANCING SOURCES (USES)						
Transfers Out	<u>(900,000)</u>	<u>(900,000)</u>	<u>-</u>	<u>-</u>	<u>(900,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(900,000)</u>	<u>(900,000)</u>	<u>-</u>	<u>-</u>	<u>(900,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (892,050)</u>	<u>\$ (881,528)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (881,528)</u>	<u>\$ 10,522</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Phase II
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Charges for Services	\$ -	\$ 1,155	\$ -	\$ -	\$ 1,155	\$ 1,155
Interest on Investments	9,000	23,127	-	-	23,127	14,127
Total revenues	9,000	24,282	-	-	24,282	15,282
EXPENDITURES						
Physical Environment	100	17	-	-	17	83
Total expenditures	100	17	-	-	17	83
Excess (deficiency) of revenues over (under) expenditures	8,900	24,265	-	-	24,265	15,365
OTHER FINANCING SOURCES (USES)						
Transfers Out	(2,330,296)	(771,528)	-	-	(771,528)	1,558,768
Total other financing sources (uses)	(2,330,296)	(771,528)	-	-	(771,528)	1,558,768
Net change in fund balance	<u>\$ (2,321,396)</u>	<u>\$ (747,263)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (747,263)</u>	<u>\$ 1,574,133</u>

CITY OF PORT ST. LUCIE, FLORIDA

USA 3 and 4

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Charges for Services	\$ 4,016,000	\$ 4,124,515	\$ -	\$ -	\$ 4,124,515	\$ 108,515
Interest on Investments	7,500	114,286	-	-	114,286	106,786
Total revenues	<u>4,023,500</u>	<u>4,238,801</u>	<u>-</u>	<u>-</u>	<u>4,238,801</u>	<u>215,301</u>
EXPENDITURES						
Physical Environment	85,000	59,339	-	-	59,339	25,661
Total expenditures	<u>85,000</u>	<u>59,339</u>	<u>-</u>	<u>-</u>	<u>59,339</u>	<u>25,661</u>
Excess (deficiency) of revenues over (under) expenditures	3,938,500	4,179,462	-	-	4,179,462	240,962
OTHER FINANCING SOURCES (USES)						
Transfers Out	(2,372,504)	(891,272)	-	-	(891,272)	1,481,232
Total other financing sources (uses)	<u>(2,372,504)</u>	<u>(891,272)</u>	<u>-</u>	<u>-</u>	<u>(891,272)</u>	<u>1,481,232</u>
Net change in fund balance	<u>\$ 1,565,996</u>	<u>\$ 3,288,190</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,288,190</u>	<u>\$ 1,722,194</u>

CITY OF PORT ST. LUCIE, FLORIDA

USA 5 6 7A

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Charges for Services	\$ 2,821,000	\$ 3,184,475	\$ -	\$ -	\$ 3,184,475	\$ 363,475
Interest on Investments	-	14,882	-	-	14,882	14,882
Total revenues	<u>2,821,000</u>	<u>3,199,357</u>	<u>-</u>	<u>-</u>	<u>3,199,357</u>	<u>378,357</u>
EXPENDITURES						
Physical Environment	58,000	43,270	-	-	43,270	14,730
Principal	3,359,900	2,800,000	-	-	2,800,000	559,900
Interest	300,000	220,075	-	-	220,075	79,925
Total expenditures	<u>3,717,900</u>	<u>3,063,345</u>	<u>-</u>	<u>-</u>	<u>3,063,345</u>	<u>654,555</u>
Net change in fund balance	<u>\$ (896,900)</u>	<u>\$ 136,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,012</u>	<u>\$ 1,032,912</u>

CITY OF PORT ST. LUCIE, FLORIDA

USA 9

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Charges for Services	\$ 330,000	\$ 324,217	\$ -	\$ -	\$ 324,217	\$ (5,783)
Interest on Investments	1,000	1,594	-	-	1,594	594
Total revenues	<u>331,000</u>	<u>325,811</u>	<u>-</u>	<u>-</u>	<u>325,811</u>	<u>(5,189)</u>
EXPENDITURES						
Physical Environment	6,500	5,739	-	-	5,739	761
Principal	362,220	300,000	-	-	300,000	62,220
Interest	62,000	49,844	-	-	49,844	12,156
Total expenditures	<u>430,720</u>	<u>355,583</u>	<u>-</u>	<u>-</u>	<u>355,583</u>	<u>75,137</u>
Net change in fund balance	<u>\$ (99,720)</u>	<u>\$ (29,772)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (29,772)</u>	<u>\$ 69,948</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Neighborhood Services
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	Final Budgeted Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Charges for Services	\$ 264,000	\$ 264,000	\$ -	\$ -	\$ 264,000	\$ -
Interest on Investments	5,000	17,158	-	-	17,158	12,158
Other	340,000	568,296	-	-	568,296	228,296
Total revenues	609,000	849,454	-	-	849,454	240,454
EXPENDITURES						
Public Safety	562	758	-	-	758	(196)
Human Services	559,748	311,665	-	-	311,665	248,083
Total expenditures	560,310	312,423	-	-	312,423	247,887
Excess (deficiency) of revenues over (under) expenditures	48,690	537,031	-	-	537,031	488,341
OTHER FINANCING SOURCES (USES)						
Transfers In	10,157	1,458,994	-	-	1,458,994	1,448,837
Transfers Out	(1,005,000)	(850,000)	-	-	(850,000)	155,000
Total other financing sources (uses)	(994,843)	608,994	-	-	608,994	1,603,837
Net change in fund balance	\$ (946,153)	\$ 1,146,025	\$ -	\$ -	\$ 1,146,025	\$ 2,092,178

CITY OF PORT ST. LUCIE, FLORIDA

**S Lennard Rd
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Charges for Services	\$ 246,000	\$ 246,875	\$ -	\$ -	\$ 246,875	\$ 875
Interest on Investments	1,400	4,415	-	-	4,415	3,015
Total revenues	<u>247,400</u>	<u>251,290</u>	<u>-</u>	<u>-</u>	<u>251,290</u>	<u>3,890</u>
EXPENDITURES						
Physical Environment	5,000	3,559	-	-	3,559	1,441
Total expenditures	<u>5,000</u>	<u>3,559</u>	<u>-</u>	<u>-</u>	<u>3,559</u>	<u>1,441</u>
Excess (deficiency) of revenues over (under) expenditures	242,400	247,731	-	-	247,731	5,331
OTHER FINANCING SOURCES (USES)						
Transfers Out	(250,000)	(250,000)	-	-	(250,000)	-
Total other financing sources (uses)	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>	<u>-</u>	<u>(250,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (7,600)</u>	<u>\$ (2,269)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,269)</u>	<u>\$ 5,331</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Riverpoint
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	Final Budgeted Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Charges for Services	\$ 600,000	\$ 727,877	\$ -	\$ -	\$ 727,877	\$ 127,877
Interest on Investments	4,100	10,438	-	-	10,438	6,338
Total revenues	604,100	738,315	-	-	738,315	134,215
EXPENDITURES						
Physical Environment	25,581	13,512	-	-	13,512	12,069
Principal	486,419	450,000	-	-	450,000	36,419
Interest	150,000	50,538	-	-	50,538	99,462
Total expenditures	662,000	514,050	-	-	514,050	147,950
Net change in fund balance	<u>\$ (57,900)</u>	<u>\$ 224,265</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 224,265</u>	<u>\$ 282,165</u>

CITY OF PORT ST. LUCIE, FLORIDA

Tesoro

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	Final Budgeted Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Charges for Services	\$ 2,712,000	\$ 2,772,375	\$ -	\$ -	\$ 2,772,375	\$ 60,375
Interest on Investments	5,000	31,318	-	-	31,318	26,318
Total revenues	<u>2,717,000</u>	<u>2,803,693</u>	<u>-</u>	<u>-</u>	<u>2,803,693</u>	<u>86,693</u>
EXPENDITURES						
Physical Environment	65,000	39,750	-	-	39,750	25,250
Principal	4,725,000	4,725,000	-	-	4,725,000	-
Interest	49,919	49,919	-	-	49,919	-
Total expenditures	<u>4,839,919</u>	<u>4,814,669</u>	<u>-</u>	<u>-</u>	<u>4,814,669</u>	<u>25,250</u>
Net change in fund balance	<u>\$ (2,122,919)</u>	<u>\$ (2,010,976)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,010,976)</u>	<u>\$ 111,943</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Glassman
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	Final Budgeted Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Charges for Services	\$ 872,125	\$ 940,818	\$ -	\$ -	\$ 940,818	\$ 68,693
Interest on Investments	5,000	12,554	-	-	12,554	7,554
Total revenues	877,125	953,372	-	-	953,372	76,247
EXPENDITURES						
Physical Environment	21,500	15,209	-	-	15,209	6,291
Principal	800,000	800,000	-	-	800,000	-
Interest	118,350	118,350	-	-	118,350	-
Total expenditures	939,850	933,559	-	-	933,559	6,291
Net change in fund balance	<u>\$ (62,725)</u>	<u>\$ 19,813</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,813</u>	<u>\$ 82,538</u>

CITY OF PORT ST. LUCIE, FLORIDA

**East Lake Village Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Charges for Services	\$ 700,001	\$ 1,305,082	\$ -	\$ -	\$ 1,305,082	\$ 605,081
Interest on Investments	1,600	7,758	-	-	7,758	6,158
Total revenues	<u>701,601</u>	<u>1,312,840</u>	<u>-</u>	<u>-</u>	<u>1,312,840</u>	<u>611,239</u>
EXPENDITURES						
Physical Environment	26,605	19,334	-	-	19,334	7,271
Principal	386,395	240,000	-	-	240,000	146,395
Interest	404,938	200,063	-	-	200,063	204,875
Total expenditures	<u>817,938</u>	<u>459,397</u>	<u>-</u>	<u>-</u>	<u>459,397</u>	<u>358,541</u>
Net change in fund balance	<u>\$ (116,337)</u>	<u>\$ 853,443</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 853,443</u>	<u>\$ 969,780</u>

CITY OF PORT ST. LUCIE, FLORIDA

**St Lucie Land Holdings
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	Final Budgeted Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Charges for Services	\$ 1,650,000	\$ 1,660,129	\$ -	\$ -	\$ 1,660,129	\$ 10,129
Interest on Investments	5,000	12,413	-	-	12,413	7,413
Total revenues	<u>1,655,000</u>	<u>1,672,542</u>	<u>-</u>	<u>-</u>	<u>1,672,542</u>	<u>17,542</u>
EXPENDITURES						
Physical Environment	34,543	26,871	-	-	26,871	7,672
Principal	1,095,457	1,000,000	-	-	1,000,000	95,457
Interest	440,812	440,810	-	-	440,810	2
Total expenditures	<u>1,570,812</u>	<u>1,467,681</u>	<u>-</u>	<u>-</u>	<u>1,467,681</u>	<u>103,131</u>
Net change in fund balance	<u>\$ 84,188</u>	<u>\$ 204,861</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 204,861</u>	<u>\$ 120,673</u>

CITY OF PORT ST. LUCIE, FLORIDA

**City Center Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	Final Budgeted Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Charges for Services	\$ 8,102,189	\$ 8,101,559	\$ -	\$ -	\$ 8,101,559	\$ (630)
Interest on Investments	5,500	11,475	-	-	11,475	5,975
Total revenues	8,107,689	8,113,034	-	-	8,113,034	5,345
EXPENDITURES						
Physical Environment	351,661	301,083	-	-	301,083	50,578
Principal	705,000	8,005,000	-	-	8,005,000	(7,300,000)
Interest	1,701,344	994,353	-	-	994,353	706,991
Total expenditures	2,758,005	9,300,436	-	-	9,300,436	(6,542,431)
Excess (deficiency) of revenues over (under) expenditures	5,349,684	(1,187,402)	-	-	(1,187,402)	(6,537,086)
OTHER FINANCING SOURCES (USES)						
Transfers In	1,747,000	1,047,000	-	-	1,047,000	(700,000)
Issuance of Debt	22,345,000	22,345,000	-	-	22,345,000	-
Payment to Escrow Agent	(29,449,028)	(22,149,028)	-	-	(22,149,028)	7,300,000
Total other financing sources (uses)	(5,357,028)	1,242,972	-	-	1,242,972	6,600,000
Net change in fund balance	\$ (7,344)	\$ 55,570	\$ -	\$ -	\$ 55,570	\$ 62,914

CITY OF PORT ST. LUCIE, FLORIDA

**Combined SAD Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Charges for Services	\$ 300,000	\$ 313,870	\$ -	\$ -	\$ 313,870	\$ 13,870
Interest on Investments	2,000	4,600	-	-	4,600	2,600
Total revenues	<u>302,000</u>	<u>318,470</u>	<u>-</u>	<u>-</u>	<u>318,470</u>	<u>16,470</u>
EXPENDITURES						
Physical Environment	10,908	5,932	-	-	5,932	4,976
Principal	280,000	280,000	-	-	280,000	-
Interest	49,092	33,527	-	-	33,527	15,565
Total expenditures	<u>340,000</u>	<u>319,459</u>	<u>-</u>	<u>-</u>	<u>319,459</u>	<u>20,541</u>
Net change in fund balance	<u>\$ (38,000)</u>	<u>\$ (989)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (989)</u>	<u>\$ 37,011</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Economic Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Interest on Investments	\$ -	\$ 30,163	\$ -	\$ -	\$ 30,163	\$ 30,163
Total revenues	-	30,163	-	-	30,163	30,163
Net change in fund balance	<u>\$ -</u>	<u>\$ 30,163</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,163</u>	<u>\$ 30,163</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Wyndcrest DDMG Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Interest on Investments	\$ 1,000	\$ 17,860	\$ -	\$ -	\$ 17,860	\$ 16,860
Total revenues	<u>1,000</u>	<u>17,860</u>	<u>-</u>	<u>-</u>	<u>17,860</u>	<u>16,860</u>
EXPENDITURES						
Interest	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Net change in fund balance	<u>\$ (9,000)</u>	<u>\$ 17,860</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,860</u>	<u>\$ 26,860</u>

CITY OF PORT ST. LUCIE, FLORIDA

**CDBG Entitlement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	Final Budgeted Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Intergovernmental	\$ 1,556,526	\$ 924,844	\$ -	\$ -	\$ 924,844	\$ (631,682)
Other	19,223	3,753	-	-	3,753	(15,470)
Total revenues	<u>1,575,749</u>	<u>928,597</u>	<u>-</u>	<u>-</u>	<u>928,597</u>	<u>(647,152)</u>
EXPENDITURES						
Economic Environment	<u>2,295,120</u>	<u>1,545,185</u>	<u>93,885</u>	<u>480,646</u>	<u>1,931,946</u>	<u>363,174</u>
Total expenditures	<u>2,295,120</u>	<u>1,545,185</u>	<u>93,885</u>	<u>480,646</u>	<u>1,931,946</u>	<u>363,174</u>
Excess (deficiency) of revenues over (under) expenditures	(719,371)	(616,588)	(93,885)	(480,646)	(1,003,349)	(283,978)
OTHER FINANCING SOURCES (USES)						
Transfers In	<u>625,486</u>	<u>625,485</u>	<u>-</u>	<u>-</u>	<u>625,485</u>	<u>(1)</u>
Total other financing sources (uses)	<u>625,486</u>	<u>625,485</u>	<u>-</u>	<u>-</u>	<u>625,485</u>	<u>(1)</u>
Net change in fund balance	<u>\$ (93,885)</u>	<u>\$ 8,897</u>	<u>\$ (93,885)</u>	<u>\$ (480,646)</u>	<u>\$ (377,864)</u>	<u>\$ (283,979)</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Local Housing Assistance Trust Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Intergovernmental	\$ 1,132,248	\$ 1,145,164	\$ -	\$ -	\$ 1,145,164	\$ 12,916
Interest on Investments	1,408	15,318	-	-	15,318	13,910
Other	116,325	373,336	-	-	373,336	257,011
Total revenues	<u>1,249,981</u>	<u>1,533,818</u>	<u>-</u>	<u>-</u>	<u>1,533,818</u>	<u>283,837</u>
EXPENDITURES						
Economic Environment	<u>2,317,720</u>	<u>1,200,971</u>	<u>75,714</u>	<u>151,296</u>	<u>1,276,553</u>	<u>1,041,167</u>
Total expenditures	<u>2,317,720</u>	<u>1,200,971</u>	<u>75,714</u>	<u>151,296</u>	<u>1,276,553</u>	<u>1,041,167</u>
Net change in fund balance	<u>\$ (1,067,739)</u>	<u>\$ 332,847</u>	<u>\$ (75,714)</u>	<u>\$ (151,296)</u>	<u>\$ 257,265</u>	<u>\$ 1,325,004</u>

CITY OF PORT ST. LUCIE, FLORIDA

Neighborhood Stabilization Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Year Ended September 30, 2017

	Final Budgeted Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Intergovernmental	\$ 1,423,999	\$ -	\$ -	\$ -	\$ -	\$ (1,423,999)
Interest on Investments	-	3,335	-	-	3,335	3,335
Other	105,466	152,558	-	-	152,558	47,092
Total revenues	1,529,465	155,893	-	-	155,893	(1,373,572)
EXPENDITURES						
Economic Environment	1,669,621	271,116	-	-	271,116	1,398,505
Total expenditures	1,669,621	271,116	-	-	271,116	1,398,505
Excess (deficiency) of revenues over (under) expenditures	(140,156)	(115,223)	-	-	(115,223)	24,933
OTHER FINANCING SOURCES (USES)						
Transfers Out	(625,486)	(625,485)	-	-	(625,485)	1
Total other financing sources (uses)	(625,486)	(625,485)	-	-	(625,485)	1
Net change in fund balance	<u>\$ (765,642)</u>	<u>\$ (740,708)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (740,708)</u>	<u>\$ 24,934</u>

CITY OF PORT ST. LUCIE, FLORIDA

**National Pollution NPDES Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Charges for Services	\$ 55,000	\$ 84,653	\$ -	\$ -	\$ 84,653	\$ 29,653
Interest on Investments	1,100	1,529	-	-	1,529	429
Total revenues	<u>56,100</u>	<u>86,182</u>	<u>-</u>	<u>-</u>	<u>86,182</u>	<u>30,082</u>
EXPENDITURES						
Transportation	<u>96,156</u>	<u>78,933</u>	<u>-</u>	<u>-</u>	<u>78,933</u>	<u>17,223</u>
Total expenditures	<u>96,156</u>	<u>78,933</u>	<u>-</u>	<u>-</u>	<u>78,933</u>	<u>17,223</u>
Net change in fund balance	<u>\$ (40,056)</u>	<u>\$ 7,249</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,249</u>	<u>\$ 47,305</u>

CITY OF PORT ST. LUCIE, FLORIDA

Law Enforcement Forfeiture Trust Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Year Ended September 30, 2017

	Final Budgeted Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Fines and Forfeitures	\$ 123,562	\$ 30,542	\$ -	\$ -	\$ 30,542	\$ (93,020)
Interest on Investments	2,000	1,586	-	-	1,586	(414)
Other	-	13,641	-	-	13,641	13,641
Total revenues	<u>125,562</u>	<u>45,769</u>	<u>-</u>	<u>-</u>	<u>45,769</u>	<u>(79,793)</u>
EXPENDITURES						
Public Safety	87,846	70,658	-	-	70,658	17,188
Total expenditures	<u>87,846</u>	<u>70,658</u>	<u>-</u>	<u>-</u>	<u>70,658</u>	<u>17,188</u>
Excess (deficiency) of revenues over (under) expenditures	37,716	(24,889)	-	-	(24,889)	(62,605)
OTHER FINANCING SOURCES (USES)						
Transfers Out	(10,000)	(10,000)	-	-	(10,000)	-
Total other financing sources (uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ 27,716</u>	<u>\$ (34,889)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (34,889)</u>	<u>\$ (62,605)</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Conservation Trust Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Budget PY Encumbrance</u>	<u>Budget CY Encumbrance</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Charges for Services	\$ 50,000	\$ 35,752	\$ -	\$ -	\$ 35,752	\$ (14,248)
Interest on Investments	2,500	12,332	-	-	12,332	9,832
Total revenues	<u>52,500</u>	<u>48,084</u>	<u>-</u>	<u>-</u>	<u>48,084</u>	<u>(4,416)</u>
EXPENDITURES						
Culture and Recreation	<u>200,000</u>	<u>79,862</u>	<u>-</u>	<u>-</u>	<u>79,862</u>	<u>120,138</u>
Total expenditures	<u>200,000</u>	<u>79,862</u>	<u>-</u>	<u>-</u>	<u>79,862</u>	<u>120,138</u>
Net change in fund balance	<u>\$ (147,500)</u>	<u>\$ (31,778)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (31,778)</u>	<u>\$ 115,722</u>

CITY OF PORT ST. LUCIE, FLORIDA

**Solid Waste Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2017**

	Final Budgeted Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Charges for Services	\$ 17,630,000	\$ 17,320,809	\$ -	\$ -	\$ 17,320,809	\$ (309,191)
Interest on Investments	-	51,596	-	-	51,596	51,596
Total revenues	17,630,000	17,372,405	-	-	17,372,405	(257,595)
EXPENDITURES						
Physical Environment	17,430,000	17,214,898	-	-	17,214,898	215,102
Total expenditures	17,430,000	17,214,898	-	-	17,214,898	215,102
Excess (deficiency) of revenues over (under) expenditures	200,000	157,507	-	-	157,507	(42,493)
OTHER FINANCING SOURCES (USES)						
Transfers Out	(200,000)	(157,507)	-	-	(157,507)	42,493
Total other financing sources (uses)	(200,000)	(157,507)	-	-	(157,507)	42,493
Net change in fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Fiduciary Funds

RETIREMENT TRUST FUNDS

Pension Trust Funds are used to account for public employee retirement systems.

The City maintains the following Retirement Trust Funds:

Municipal Police Officers' Retirement Trust Fund – to account for the accumulation of resources to provide a defined benefit pension plan for City Police Officers established under the provision of Chapter 185 of the Statutes of the State of Florida.

General Employees' Pension Fund – to account for the accumulation of resources to be used for pension payments to participants of the City's Employee Pension Plan.

Police Officers' Retirement Trust Fund 401-A – to account for the accumulation of resources to provide sworn police officers with defined contribution benefits through a plan adopted under the provision of Internal Revenue Code Section 401-A.

Employees' Retirement Trust Fund – 401 A – to account for the accumulation of resources to provide employees with defined contribution benefits through a plan adopted under the provision of the Internal Revenue Code Section 401-A.

Other Post Employment Benefits Fund (OPEB) – to account for retirees benefits as mandated by GASB #45.

AGENCY FUND

Agency Funds are used to account for assets held by the government in purely custodial capacity.

The City does not maintain an Agency Fund.

CITY OF PORT ST. LUCIE, FLORIDA
Combining Statement of Fiduciary Net Position
Retirement Trust Funds
September 30, 2017

	Municipal Police Officers	General Employees	Police Officers Retirement 401 A	Employees Retirement 401 A	Other Post Employment Benefits	Total
Assets						
Cash and Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 325	\$ 325
Fixed Investments	4,780,564	-	-	-	-	4,780,564
Corporate Stocks	22,337,697	166,072	-	-	-	22,503,769
Corporate Bonds	10,120,076	-	-	-	-	10,120,076
US Government Obligations	4,463,950	-	-	-	-	4,463,950
Federal Agencies	3,384,908	-	-	-	-	3,384,908
Municipal Obligations	888,599	-	-	-	-	888,599
Real Estate Investments	6,495,435	-	-	-	-	6,495,435
Mutual Funds	38,854,730	2,177,705	5,478,325	61,560,456	13,686,360	121,757,576
Money Market Funds	3,324,599	-	-	-	-	3,324,599
Cash Surrender Value of Life Insurance	-	190,593	-	-	-	190,593
Accrued Investment Income	202,319	-	-	-	-	202,319
Accounts Receivable	-	3,678	12,352	152,190	-	168,220
Prepaid Expenses	1,915	-	-	-	-	1,915
Total assets	<u>94,854,792</u>	<u>2,538,048</u>	<u>5,490,677</u>	<u>61,712,646</u>	<u>13,686,685</u>	<u>178,282,848</u>
Liabilities and Net Position						
Liabilities						
Accounts Payable	65,030	-	-	212,653	-	277,683
Total liabilities	<u>65,030</u>	<u>-</u>	<u>-</u>	<u>212,653</u>	<u>-</u>	<u>277,683</u>
Net Position						
Restricted for Employees Retirement	94,789,762	2,538,048	5,490,677	61,499,993	13,686,685	178,005,165
Total Net Position	<u>94,789,762</u>	<u>2,538,048</u>	<u>5,490,677</u>	<u>61,499,993</u>	<u>13,686,685</u>	<u>178,005,165</u>
Total Liabilities and Net Position	<u>\$ 94,854,792</u>	<u>\$ 2,538,048</u>	<u>\$ 5,490,677</u>	<u>\$ 61,712,646</u>	<u>\$ 13,686,685</u>	<u>\$ 178,282,848</u>

CITY OF PORT ST. LUCIE, FLORIDA
Combining Statement of Changes in Fiduciary Net Position
Retirement Trust Funds
Year Ended September 30, 2017

	Municipal Police Officers	General Employees	Police Officers Retirement 401 A	Employees Retirement 401 A	Other Post Employment Benefits	Total
Additions						
Contributions:						
City	\$ 4,018,282	\$ 91,058	\$ 189,765	\$ 4,548,121	\$ 1,600,620	\$ 10,447,846
State	1,296,741	-	-	-	-	1,296,741
Employee	1,805,207	-	-	-	404,989	2,210,196
Miscellaneous Income	-	992	309	486	-	1,787
Total Contributions	<u>7,120,230</u>	<u>92,050</u>	<u>190,074</u>	<u>4,548,607</u>	<u>2,005,609</u>	<u>13,956,570</u>
Investment Income:						
Net Increase in Fair Value of Investments	8,259,668	162,478	617,804	6,469,660	1,322,588	16,832,198
Interest and Dividends	1,988,606	-	-	-	-	1,988,606
Total Investment Income	<u>10,248,274</u>	<u>162,478</u>	<u>617,804</u>	<u>6,469,660</u>	<u>1,322,588</u>	<u>18,820,804</u>
Investment Expense	(244,188)	-	-	-	-	(244,188)
	<u>10,004,086</u>	<u>162,478</u>	<u>617,804</u>	<u>6,469,660</u>	<u>1,322,588</u>	<u>18,576,616</u>
Total Additions	<u>17,124,316</u>	<u>254,528</u>	<u>807,878</u>	<u>11,018,267</u>	<u>3,328,197</u>	<u>32,533,186</u>
Deductions						
Benefit Payments	3,419,693	432,727	1,106,532	4,240,272	1,245,609	10,444,833
Administrative Costs and Charges	167,554	-	768	34,057	277	202,656
Refunds	287,818	-	-	-	-	287,818
Total Deductions	<u>3,875,065</u>	<u>432,727</u>	<u>1,107,300</u>	<u>4,274,329</u>	<u>1,245,886</u>	<u>10,935,307</u>
Net Increase in Net Position	13,249,251	(178,199)	(299,422)	6,743,938	2,082,311	21,597,879
Total Net Position - beginning	<u>81,540,511</u>	<u>2,716,247</u>	<u>5,790,099</u>	<u>54,756,055</u>	<u>11,604,374</u>	<u>156,407,286</u>
Total Net Position - ending	<u>\$ 94,789,762</u>	<u>\$ 2,538,048</u>	<u>\$ 5,490,677</u>	<u>\$ 61,499,993</u>	<u>\$ 13,686,685</u>	<u>\$ 178,005,165</u>

Statistical Section

This part of the City of Port St. Lucie Comprehensive Annual Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City of Port St. Lucie's overall financial health.



"A City for All Ages"

Financial Trends.....126

These schedules contain trend information to help the reader understand how the City of Port St. Lucie's financial performance has changed over time.

CITY OF PORT ST. LUCIE, FLORIDA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental Activities:						
Net investment in capital assets	\$ 322,655,075	\$ 281,318,910	\$ 255,743,942	\$ 255,304,871	\$ 230,882,015	\$ 248,106,726
Restricted for:						
Debt service	214,708,990	259,381,015	295,775,596	305,565,798	331,927,696	340,553,170
Capital Projects	56,562,714	54,426,329	38,043,669	13,598,379	18,780,498	21,329,842
Transportation	6,318,018	6,289,563	5,960,239	-	-	-
Protective Inspections	10,388,946	9,181,046	6,240,371	-	-	-
Housing Assistance	2,778,561	3,177,525	2,532,547	-	-	-
Economic Development	15,030,993	3,000,830	2,981,962	-	-	-
Other Purposes	6,262,671	5,363,746	5,608,957	43,038,297	40,886,609	28,694,820
Unrestricted	(68,213,156)	(46,619,467)	(47,491,125)	21,690,787	20,239,187	18,344,592
Total Governmental Activities						
Net Position	<u>566,492,812</u>	<u>575,519,497</u>	<u>565,396,158</u>	<u>639,198,132</u>	<u>642,716,005</u>	<u>657,029,150</u>
Business-Type Activities:						
Net investment in capital assets	233,881,814	235,995,905	242,874,624	253,807,847	225,791,293	280,156,374
Restricted for:						
Debt service	6,483,080	6,411,390	11,643,043	1,503,252	16,321,743	14,426,218
Capital Projects	21,430,984	18,742,470	13,064,965	16,831,540	9,522,806	18,959,566
Claims	92,234	92,234	92,234	92,234	92,234	92,234
Unrestricted	48,442,302	49,680,890	40,384,501	36,919,201	62,858,499	22,704,138
Total Business-Type Activities						
Net Position	<u>310,330,414</u>	<u>310,922,889</u>	<u>308,059,367</u>	<u>309,154,074</u>	<u>314,586,575</u>	<u>336,338,530</u>
Total Primary Government:						
Net investment in capital assets	556,536,889	517,314,815	498,618,566	509,112,718	456,673,308	528,263,100
Restricted for:						
Debt service	221,192,070	265,792,405	307,418,639	307,069,050	348,249,439	354,979,388
Capital Projects	77,993,698	73,168,799	51,108,634	30,429,919	28,303,304	40,289,408
Transportation	6,318,018	6,289,563	5,960,239	-	-	-
Protective Inspections	10,388,946	9,181,046	6,240,371	-	-	-
Housing Assistance	2,778,561	3,177,525	2,532,547	-	-	-
Economic Development	15,030,993	3,000,830	2,981,962	-	-	-
Other Purposes	6,262,671	5,363,746	5,608,957	43,038,297	40,886,609	28,694,820
Claims	92,234	92,234	92,234	92,234	92,234	92,234
Unrestricted	(19,770,854)	3,061,423	(7,106,624)	58,609,988	83,097,686	41,048,730
Total Primary Government						
Net Position	<u>\$ 876,823,226</u>	<u>\$ 886,442,386</u>	<u>\$ 873,455,525</u>	<u>\$ 948,352,206</u>	<u>\$ 957,302,580</u>	<u>\$ 993,367,680</u>

NOTE: Starting with the 2015 CAFR, all prior year's Net Investment In Capital Assets lines have been adjusted to eliminate the inclusion of accreted interest.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 304,237,769	\$ 304,349,119	\$ 274,326,677	\$ 182,323,648
33,228,306	32,943,811	33,701,454	41,869,409
15,944,067	69,068,167	82,313,027	177,634,060
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
5,877,718	(39,034,499)	(18,536,063)	(20,289,118)
<u>359,287,860</u>	<u>367,326,598</u>	<u>371,805,095</u>	<u>381,537,999</u>
278,007,614	256,903,728	248,544,914	261,872,582
30,780,127	30,343,954	29,369,142	4,970,848
42,265,855	59,409,352	56,424,137	78,224,450
92,105	91,989	97,094	96,048
5,121,249	19,329,541	53,282,679	46,853,138
<u>356,266,950</u>	<u>366,078,564</u>	<u>387,717,966</u>	<u>392,017,066</u>
582,245,383	561,252,847	522,871,591	444,196,230
64,008,433	63,287,765	63,070,596	46,840,257
58,209,922	128,477,519	138,737,164	255,858,510
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
92,105	91,989	97,094	96,048
10,998,967	(19,704,958)	34,746,616	26,564,020
<u>\$ 715,554,810</u>	<u>\$ 733,405,162</u>	<u>\$ 759,523,061</u>	<u>\$ 773,555,065</u>

CITY OF PORT ST. LUCIE, FLORIDA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2017	2016	2015	2014	2013
Expenses					
Governmental Activities:					
General Government	\$ 19,262,405	\$ 16,729,323	\$ 13,966,787	\$ 13,424,100	\$ 19,644,896
Public Safety	50,403,218	47,096,752	43,376,647	41,287,967	36,893,883
Physical Environment	40,848,525	18,128,226	30,514,196	1,030,775	2,888,717
Transportation	32,961,563	37,055,390	29,347,883	29,324,982	30,033,671
Economic Environment	14,516,362	12,273,393	66,827,661	6,903,010	12,577,499
Human Services	1,156,793	1,085,086	1,182,502	1,296,439	1,271,993
Culture and Recreation	14,123,356	12,769,172	11,605,930	10,770,040	10,812,414
Debt Service - Interest	13,575,313	20,425,051	21,433,349	22,072,391	23,556,204
Debt Service - Principal	-	-	-	-	-
Total Governmental Activities	186,847,535	165,562,393	218,254,955	126,109,704	137,679,277
Business-Type Activities:					
Utility System	79,676,615	83,379,982	83,138,529	83,622,536	85,423,145
Stormwater Utility	22,313,572	20,161,789	20,615,230	19,840,640	19,660,501
Golf Course	1,826,357	1,832,693	1,822,513	1,768,281	1,787,208
Total Business-Type Activities	103,816,544	105,374,464	105,576,272	105,231,457	106,870,854
Total Primary Government Expenses	\$ 290,664,079	\$ 270,936,857	\$ 323,831,227	\$ 231,341,161	\$ 244,550,131
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$ 2,274,296	\$ 1,884,681	\$ 1,732,289	\$ 1,924,496	\$ 6,285,870
Public Safety	10,192,150	9,918,761	7,980,414	7,695,188	2,354,681
Physical Environment	30,624,284	35,593,498	36,877,466	17,800,074	19,712,162
Transportation	3,014,814	4,159,559	4,196,944	1,951,179	1,812,992
Economic Environment	3,484,472	3,505,338	1,626,405	53,834	1,153,777
Human Services	48,870	61,886	78,460	100,829	109,691
Culture and Recreation	3,148,521	3,433,301	3,296,044	2,097,655	2,070,648
Operating Grants and Contributions	4,182,472	3,786,495	3,451,813	2,864,469	3,742,609
Capital Grants and Contributions	18,981,881	9,851,341	11,135,140	2,501,351	1,652,582
Total Governmental Activities	75,951,760	72,194,860	70,374,975	36,989,075	38,895,012
Business-Type Activities:					
Charges for Services:					
Utility System	70,751,728	69,401,985	66,615,111	64,789,627	61,181,993
Stormwater Utility	22,311,000	21,241,907	20,721,062	20,318,181	20,088,576
Golf Course	1,592,256	1,614,495	1,711,940	1,471,527	1,480,424
Operating Grants and Contributions	-	15,000	43,674	3,708,476	738,622
Capital Grants and Contributions	15,820,783	13,290,354	10,215,344	6,277,976	3,778,130
Total Business-Type Activities	110,475,767	105,563,741	99,307,131	96,565,787	87,267,745
Total Primary Government Program Revenues	\$ 186,427,527	\$ 177,758,601	\$ 169,682,106	\$ 133,554,862	\$ 126,162,757

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 15,739,679	\$ 13,219,799	\$ 11,206,338	\$ 11,992,504	\$ 10,854,288
36,082,798	37,291,748	40,257,753	43,401,330	40,580,087
1,873,234	2,219,525	3,242,320	5,176,460	3,225,934
29,637,387	37,504,058	32,711,192	38,904,334	33,233,136
15,446,646	9,607,066	20,236,156	5,454,266	9,030,746
1,220,258	1,380,647	1,647,555	1,650,621	1,677,914
12,578,781	10,305,797	10,505,959	11,985,206	8,949,054
24,817,890	27,331,315	26,867,419	25,861,845	24,785,700
-	-	-	-	-
<u>137,396,673</u>	<u>138,859,955</u>	<u>146,674,692</u>	<u>144,426,566</u>	<u>132,336,859</u>
82,200,546	83,213,376	85,545,020	85,475,608	77,017,150
20,575,005	19,788,150	17,691,171	17,807,203	19,641,308
1,718,028	1,914,059	1,871,671	2,016,046	2,002,696
<u>104,493,579</u>	<u>104,915,585</u>	<u>105,107,862</u>	<u>105,298,857</u>	<u>98,661,154</u>
<u>\$ 241,890,252</u>	<u>\$ 243,775,540</u>	<u>\$ 251,782,554</u>	<u>\$ 249,725,423</u>	<u>\$ 230,998,013</u>
\$ 3,778,020	\$ 3,283,174	\$ 3,818,952	\$ 3,899,070	\$ 6,139,417
1,288,824	777,330	1,106,384	1,897,530	1,975,247
3,534,670	16,391,563	13,230,372	12,313,424	11,378,793
1,580,211	1,831,410	1,443,788	1,844,263	7,281,726
3,082,295	5,344	280,580	19,069	18,942
106,485	99,098	115,435	104,965	108,017
1,941,883	1,748,878	1,619,362	1,523,523	1,473,245
5,087,105	5,972,276	17,251,452	10,881,292	12,326,924
<u>147,960</u>	<u>131,533</u>	<u>6,966,976</u>	<u>11,823,281</u>	<u>1,519,375</u>
<u>20,547,453</u>	<u>30,240,606</u>	<u>45,833,301</u>	<u>44,306,417</u>	<u>42,221,686</u>
58,613,804	56,115,457	52,535,104	52,688,326	50,991,171
19,335,600	19,223,254	19,019,552	16,480,343	15,132,862
1,454,957	1,564,828	1,462,364	1,569,018	1,612,831
1,560,253	819,547	534,784	409,157	1,708,899
<u>4,315,875</u>	<u>13,280,071</u>	<u>12,967,911</u>	<u>18,235,887</u>	<u>29,910,492</u>
<u>85,280,489</u>	<u>91,003,157</u>	<u>86,519,715</u>	<u>89,382,731</u>	<u>99,356,255</u>
<u>\$ 105,827,942</u>	<u>\$ 121,243,763</u>	<u>\$ 132,353,016</u>	<u>\$ 133,689,148</u>	<u>\$ 141,577,941</u>

CITY OF PORT ST. LUCIE, FLORIDA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2017	2016	2015	2014	2013	2012
Net (Expense) Revenue						
	\$					
Governmental Activities	(110,895,775)	\$ (93,367,533)	\$ (147,879,980)	\$ (89,120,629)	\$ (98,784,265)	\$ (103,003,062)
Business-type Activities	6,659,223	189,277	(6,269,141)	(8,665,670)	(19,603,109)	(19,213,090)
Total Primary Government						
Net (Expense) Revenue	<u>\$ (104,236,552)</u>	<u>\$ (93,178,256)</u>	<u>\$ (154,149,121)</u>	<u>\$ (97,786,299)</u>	<u>\$ (118,387,374)</u>	<u>\$ (122,216,152)</u>
General Revenues and Other						
Changes in Net Position						
Governmental Activities:						
Property Taxes	\$ 51,158,614	\$ 47,389,333	\$ 38,247,228	\$ 36,339,440	\$ 35,744,398	\$ 36,586,795
Franchise and Utility Taxes	22,223,228	21,339,457	21,054,005	20,287,539	18,407,514	18,175,496
Communication Services Taxes	4,975,531	5,129,850	5,378,563	5,407,176	5,972,194	6,004,344
Local Business Tax	1,910,943	1,851,734	1,666,789	1,571,717	1,518,483	1,498,031
Half Cent Sales Tax	7,368,151	6,817,675	6,483,062	6,039,906	5,510,580	5,245,628
State Revenue Sharing	5,389,689	4,837,191	4,586,750	4,003,809	3,493,945	2,763,213
Local Option Gas Tax	9,820,740	9,684,589	9,009,096	8,471,573	7,864,178	7,820,761
Insurance Premium Tax	1,296,741	1,247,468	1,082,037	1,026,902	972,481	883,809
Interest	1,546,657	977,119	1,136,378	561,573	722,180	19,352,363
Gain on Sale of Capital Assets	-	-	(455,894)	-	(126,605)	213,323
Miscellaneous	17,052,072	5,395,106	4,419,845	3,770,030	10,545,742	5,439,928
Special Item - asset writedown	-	-	-	-	(9,920,411)	-
Transfers	<u>(1,521,451)</u>	<u>(1,178,650)</u>	<u>(3,617,260)</u>	<u>(1,876,909)</u>	<u>3,766,441</u>	<u>(4,162,963)</u>
Total Governmental Activities	121,220,915	103,490,872	88,990,599	85,602,756	84,471,120	99,820,728
Business-Type Activities:						
Franchise and Utility Taxes	-	-	-	-	-	162,570
Interest	1,827,095	1,495,595	1,557,174	1,356,260	1,617,595	2,196,128
Swap	-	-	-	-	-	-
Gain on Sale of Capital Assets	-	-	-	-	-	(882,568)
Miscellaneous	-	-	-	-	-	1,157,549
Transfers	<u>1,521,451</u>	<u>1,178,650</u>	<u>3,617,260</u>	<u>1,876,909</u>	<u>(3,766,441)</u>	<u>4,162,963</u>
Total Business-Type Activities	3,348,546	2,674,245	5,174,434	3,233,169	(2,148,846)	6,796,642
Total Primary Government-Other	<u>\$ 124,569,461</u>	<u>\$ 106,165,117</u>	<u>\$ 94,165,033</u>	<u>\$ 88,835,925</u>	<u>\$ 82,322,274</u>	<u>\$ 106,617,370</u>
Changes in Net Position						
Governmental Activities	\$ 10,325,140	\$ 10,123,339	\$ (58,889,381)	\$ (3,517,873)	\$ (14,313,145)	\$ (3,182,334)
Business-Type Activities	<u>10,007,769</u>	<u>2,863,522</u>	<u>(1,094,707)</u>	<u>(5,432,501)</u>	<u>(21,751,955)</u>	<u>(12,416,448)</u>
Total Primary Government	<u>\$ 20,332,909</u>	<u>\$ 12,986,861</u>	<u>\$ (59,984,088)</u>	<u>\$ (8,950,374)</u>	<u>\$ (36,065,100)</u>	<u>\$ (15,598,782)</u>

2011	2010	2009	2008
\$ (108,619,349) (13,912,428)	\$ (100,841,391) (18,588,147)	\$ (100,120,149) (15,916,126)	\$ (90,115,173) 695,101
<u>\$ (122,531,777)</u>	<u>\$ (119,429,538)</u>	<u>\$ (116,036,275)</u>	<u>\$ (89,420,072)</u>

\$ 37,123,864	\$ 37,220,611	\$ 44,888,912	\$ 55,770,653
17,252,881	13,451,549	13,582,701	13,241,608
5,997,244	6,152,086	3,078,658	1,841,963
1,560,385	1,514,507	1,570,426	1,584,424
4,928,954	4,729,330	4,908,774	5,357,939
2,485,700	2,296,514	2,273,713	2,640,114
7,614,567	7,602,956	7,456,766	7,579,396
826,267	885,563	851,595	708,340
20,967,944	12,689,391	11,380,172	18,982,423
374,823	209,549	218,532	244,487
1,683,820	1,278,550	1,244,683	1,743,022
-	-	-	-
(235,878)	8,332,288	(1,067,687)	1,190,709
100,580,571	96,362,894	90,387,245	110,885,078

163,729	-	-	-
2,518,139	3,422,215	3,739,124	7,804,382
-	10,000	5,124,500	2,344,000
63,211	377,592	35,621	16,639
1,119,857	1,471,226	1,650,094	3,864,527
235,878	(8,332,288)	1,067,687	(1,190,709)
4,100,814	(3,051,255)	11,617,026	12,838,839
<u>\$ 104,681,385</u>	<u>\$ 93,311,639</u>	<u>\$ 102,004,271</u>	<u>\$ 123,723,917</u>

\$ (8,038,778)	\$ (4,478,497)	\$ (9,732,904)	\$ 20,769,905
(9,811,614)	(21,639,402)	(4,299,100)	13,533,940
<u>\$ (17,850,392)</u>	<u>\$ (26,117,899)</u>	<u>\$ (14,032,004)</u>	<u>\$ 34,303,845</u>

CITY OF PORT ST. LUCIE, FLORIDA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund:						
Nonspendable	\$ 218,834	\$ 191,445	\$ 178,607	\$ 166,999	\$ 885,141	\$ 835,559
Committed	2,519,112	187,401	58,312	42,146	41,707	9,354
Assigned	173,907	117,051	84,721	4,467,046	4,262,951	-
Unassigned	18,687,358	29,305,353	25,458,921	18,187,927	19,075,348	18,613,202
Total General Fund	21,599,211	29,801,250	25,780,561	22,864,118	24,265,147	19,458,115
 All Other						
Governmental Funds:						
Nonspendable	14,206	14,345	11,323	13,077	121,566	8,606,852
Restricted	76,476,749	72,910,220	78,348,839	76,452,719	59,512,472	4,760,157
Committed	11,935,010	8,909,718	6,821,412	5,842,013	7,332,397	2,784,242
Assigned	14,953,893	17,330,451	12,071,781	11,748,970	8,570,435	62,840,365
Unassigned	-	(2,730)	(5,127)	-	(1,285,276)	(117,421)
Total All Other						
Governmental Funds	103,379,858	99,162,004	97,248,228	94,056,779	74,251,594	78,874,195
 Total						
Governmental Funds	<u>\$ 124,979,069</u>	<u>\$ 128,963,254</u>	<u>\$ 123,028,789</u>	<u>\$ 116,920,897</u>	<u>\$ 98,516,741</u>	<u>\$ 98,332,310</u>

2011	2010	2009	2008
\$ 826,414	\$ 127,457	\$ 133,948	\$ 129,525
29,307	12,707	-	136,632
11,120,370	9,641,078	11,588,706	17,495,124
3,084,366	2,792,600	3,945,345	3,511,825
15,060,457	12,573,842	15,667,999	21,273,106
175,419			
12,558,416	23,129	1,716,365	26,291
6,171,180	11,559,530	130,068	493,528
70,483,809	9,157,747	23,272,047	107,138,026
(1,052,783)	113,688,325	117,039,252	142,389,896
	(945,600)	(2,190,732)	(7,845,472)
88,336,041	133,483,131	139,967,000	242,202,269
\$ 103,396,498	\$ 146,056,973	\$ 155,634,999	\$ 263,475,375

CITY OF PORT ST. LUCIE, FLORIDA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2017	2016	2015	2014
Revenues:				
Taxes	\$ 69,728,447	\$ 65,730,532	\$ 56,092,766	\$ 53,676,014
Licenses and Permits	16,634,939	16,576,124	14,866,090	13,498,879
Intergovernmental	47,107,772	38,874,481	27,552,696	25,013,772
Charges for Services	52,598,248	54,419,081	49,109,473	32,573,400
Human Services Fees	48,870	61,886	78,460	100,829
Fines and Forfeitures	1,401,918	2,275,034	2,400,496	2,974,283
Interest on Investments	1,546,657	970,966	1,136,378	561,573
Interest on Special Assessments	-	6,153	-	-
Impact Fees	8,323,840	6,955,207	5,140,466	4,048,056
Surplus Sales	-	-	-	-
Developers Contributions	124,126	76,828	92,030	53,388
Rents	-	-	-	-
Other	3,044,655	4,153,471	2,890,988	2,324,218
Total Revenues	200,559,472	190,099,763	159,359,843	134,824,412
Expenditures:				
Current:				
General Government	16,130,414	10,911,222	10,179,367	9,736,915
Public Safety	55,709,096	45,564,571	43,019,715	41,849,736
Physical Environment	18,358,971	18,838,042	17,692,425	422,095
Transportation	40,514,133	25,343,943	28,059,537	19,756,039
Economic Environment	14,689,586	12,216,119	5,911,487	4,692,918
Human Services	1,497,279	1,204,125	1,092,235	1,298,293
Culture and Recreation	15,537,534	14,331,630	15,615,951	16,186,300
Capital Outlay	-	-	-	-
Intangibles	-	-	-	-
Debt Service				
Principal	30,285,000	33,105,000	23,895,000	37,030,000
Interest	14,317,617	20,586,274	21,938,411	22,164,463
Total Expenditures	207,039,630	182,100,926	167,404,128	153,136,759
Excess (deficiency) of revenues over (under) expenditures	(6,480,158)	7,998,837	(8,044,285)	(18,312,347)
Other Financing Sources (Uses)				
Transfers in	11,273,555	13,816,227	7,234,069	14,792,189
Transfers Out	(12,794,496)	(15,994,367)	(10,593,853)	(16,669,098)
Proceeds from Sale of Assets	1,800,000	6,356,406	17,730,108	2,726,570
Capital Leases	1,284,187			
Issuance of Debt	90,295,000	165,155,000	-	116,701,922
Premium on Issuance of Debt	6,202,434	8,678,986	-	-
Discount on Issuance of Debt	-	-	-	-
Credit Enhancement Fee	-	-	-	-
Payment to Escrow Agent	(95,564,707)	(180,076,624)	(218,147)	(80,835,080)
Total Other Financing Sources (Uses)	2,495,973	(2,064,372)	14,152,177	36,716,503
Net Change in Fund Balances	\$ (3,984,185)	\$ 5,934,465	\$ 6,107,892	\$ 18,404,156
Debt Service as a percentage of non-capital expenditures	25.6 %	35.5 %	33.5 %	43.4 %

2013	2012	2011	2010	2009	2008
\$ 52,554,602	\$ 52,664,169	\$ 52,516,922	\$ 48,481,802	\$ 52,136,148	\$ 61,086,578
12,004,191	11,857,491	11,022,562	11,452,024	12,427,201	13,177,960
23,815,605	24,842,507	26,608,782	32,424,409	28,899,528	34,464,721
33,852,704	17,463,400	15,917,455	13,282,633	11,985,186	12,501,201
109,691	106,485	99,098	115,435	104,965	108,017
2,107,086	1,298,268	756,683	1,121,170	1,009,035	970,097
722,180	1,999,832	2,387,683	3,884,779	1,937,732	7,693,158
-	17,352,531	18,257,389	8,462,472	9,137,147	10,988,686
3,779,478	3,070,948	2,553,496	3,170,986	3,051,214	5,316,188
124,618	237,778	198,230	515,417	2,817,079	1,861,358
9,000	2,739,707	-	-	-	-
4,793,243	1,788,598	2,971,833	2,779,960	2,354,435	3,137,429
133,872,398	135,421,714	133,290,133	125,691,087	125,859,670	151,305,393
15,988,836	14,061,451	12,173,872	12,201,341	10,859,846	12,072,175
36,101,367	34,889,571	34,743,405	39,380,020	39,746,373	37,171,553
1,406,047	1,226,884	2,582,236	1,409,355	3,529,369	1,195,176
15,641,435	16,621,657	12,774,026	11,899,324	15,103,623	21,165,446
9,528,869	9,259,342	8,989,001	17,129,859	3,598,068	8,034,727
1,149,142	1,226,221	1,297,163	1,610,095	1,529,441	1,585,256
10,676,942	9,954,625	9,228,267	9,662,874	10,591,211	7,570,299
-	-	41,935,095	43,983,462	106,373,286	201,807,935
-	-	723,493	14,850	-	-
28,665,000	27,710,000	25,380,000	23,664,213	20,732,188	34,554,557
23,575,319	26,117,519	27,331,315	26,867,419	25,861,845	24,785,700
142,732,957	141,067,270	177,157,873	187,822,812	237,925,250	349,942,824
(8,860,559)	(5,645,556)	(43,867,740)	(62,131,725)	(112,065,580)	(198,637,431)
16,833,891	8,748,742	27,405,304	63,544,144	37,123,250	118,819,303
(13,071,350)	(12,911,705)	(27,641,182)	(55,211,856)	(38,190,937)	(121,584,621)
5,051,157	-	-	-	-	-
15,124,937	18,509,331	31,575,000	39,900,000	76,960,000	163,155,000
-	-	-	-	532,697	60,999
-	-	(176,857)	(678,589)	(859,195)	(3,141,774)
-	-	-	5,000,000	-	-
(14,893,645)	(13,765,000)	(29,955,000)	-	(71,340,606)	-
9,044,990	581,368	1,207,265	52,553,699	4,225,209	157,308,907
\$ 184,431	\$ (5,064,188)	\$ (42,660,475)	\$ (9,578,026)	\$ (107,840,371)	\$ (41,328,524)
38.7 %	40.0 %	36.8 %	34.3 %	35.1 %	37.0 %

Revenue Capacity.....136

These schedules present information to help the reader assess the affordability of the City of Port St. Lucie's most significant local revenue sources, property taxes.

CITY OF PORT ST. LUCIE, FLORIDA
Assessed Value of Taxable Property
Last Ten Fiscal Years

<u>Tax Roll Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Centrally Assessed</u>	<u>Combined Exemptions</u>	<u>Taxable Value</u>	<u>Total Millage</u>
2007	\$ 14,357,933,121	\$ 592,885,837	\$ 451,868	\$ 1,859,917,943	\$ 13,091,352,883	4.2172
2008	12,779,489,552	647,192,155	610,423	2,880,690,124	10,546,602,006	4.2172
2009	9,945,285,528	658,937,776	406,311	2,769,978,059	7,834,651,556	4.6866
2010	8,787,692,591	645,199,358	397,988	2,689,788,860	6,743,501,077	5.4723
2011	8,495,592,739	631,827,590	410,912	2,674,949,192	6,452,882,049	5.7289
2012	8,366,988,790	632,742,480	329,021	2,673,400,190	6,326,660,101	5.6289
2013	8,489,832,236	627,492,684	404,336	2,705,162,954	6,412,566,302	5.6289
2014	8,929,641,647	638,864,682	478,743	2,808,893,833	6,760,091,239	5.6289
2015	9,465,555,527	634,834,357	548,029	2,892,728,992	7,208,208,921	6.6289
2016	10,280,445,735	653,064,373	607,353	3,017,622,372	7,916,495,089	6.5000

SOURCE: St. Lucie County Property Appraiser.

NOTE: Tax Roll Year is January 1 to December 31.
City's Fiscal Year is October 1 to September 30.
(Example: Tax Roll Year 2012 = Fiscal Year 2012-13)

CITY OF PORT ST. LUCIE, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

TAX ROLL YEAR	CITY of PORT ST. LUCIE			ST. LUCIE COUNTY			SCHOOLS			OTHER AGENCIES	TOTAL City-Wide Millage
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Capital Improv. Millage	Total Schools Millage	Operating Millage	
2007	3.2172	1.0000	4.2172	6.6833	0.0920	6.7753	5.4900	2.0000	7.4900	3.3368	21.8193
2008	3.2172	1.0000	4.2172	6.6833	0.0613	6.7446	5.9350	1.7500	7.6850	3.3368	21.9836
2009	3.6866	1.0000	4.6866	6.6833	0.0613	6.7446	6.4760	1.5000	7.9760	3.4382	22.8454
2010	4.3098	1.1625	5.4723	7.4024	0.0613	7.4637	6.6770	1.5000	8.1770	3.7221	24.8351
2011	4.5096	1.2193	5.7289	7.4538	0.0154	7.4692	6.3780	1.5000	7.8780	3.7005	24.7766
2012	4.4096	1.2193	5.6289	7.4538	0.0154	7.4692	6.2710	1.5000	7.7710	3.6931	24.5622
2013	4.4096	1.2193	5.6289	7.6567	0.0154	7.6721	5.7570	1.5000	7.2570	4.0252	24.5832
2014	4.4096	1.2193	5.6289	7.6567	0.0154	7.6721	5.7410	1.5000	7.2410	3.9877	24.5297
2015	5.4096	1.2193	6.6289	7.9967	0.0154	8.0121	5.7830	1.5000	7.2830	3.9561	25.8801
2016	5.2807	1.2193	6.5000	7.9661	-	7.9661	5.4270	1.5000	6.9270	3.9317	25.3248

SOURCE: Typical Tax Bill - St. Lucie County Tax Collector.

NOTES: Rate based on per \$1,000 of taxable property value.

Tax Roll Year is January 1 to December 31.

Municipality's Fiscal Year is October 1 to September 30.

(Example: Tax Roll Year 2012 = Fiscal Year 2012-13)

CITY OF PORT ST. LUCIE, FLORIDA
Principal Property Taxpayers
Current Year and Ten Years Ago

	2016 Tax Roll			2006 Tax Roll		
	Total Taxable Value (1)	Rank	Percentage of Total Taxable Taxable Value	Total Taxable Value (1)	Rank	Percentage of Total Taxable Taxable Value
Florida Power and Light Co	\$ 152,663,123	1	1.93%	\$ 50,940,767	4	0.42%
Wal-Mart Sams Club	71,444,658	2	0.90	47,723,038	8	0.39
KRG Port St Lucie Landing LLC	54,687,900	3	0.69			
St Lucie West 2016 LLC	47,756,700	4	0.60			
Benderson Development Co Inc	43,551,200	5	0.55			
Sandpiper Resort Prop Inc Sandpiper Inc	40,529,900	6	0.51	48,496,307	6	0.40
HCA	39,080,837	7	0.49			
Florida Gas Transmission Co LLC	26,513,206	8	0.33			
Comcast of FL/GA LLC	23,714,931	9	0.30			
CAH Borrower LLC	21,518,714	10	0.27			
Ginn-La St Lucie Ltd LLLP				74,910,626	1	0.62
St Lucie Land Ltd				74,491,000	2	0.61
Bellsouth Telecommunications				59,775,607	3	0.49
Reserve Homes Ltd Lp				49,284,887	5	0.41
Levitt and Sons at Tradition				47,897,600	7	0.39
Tradition Development Co LLC				47,205,335	9	0.39
Horizons St Lucie Dev LLC				46,861,231	10	0.39
Taxable Value of 10 Largest Taxpayers	521,461,169		6.57	547,586,398		4.51
Taxable Value of Other Taxpayers	7,395,033,920		93.43	11,592,659,646		95.49
Taxable Value of All Taxpayers	\$ 7,916,495,089		100.00	\$ 12,140,246,044		100.00

(1) Includes both Real and Personal Property

NOTE: Tax Roll Year is January 1 to December 31.

SOURCES: St. Lucie County Property Appraiser, St. Lucie County Tax Collector
and City of Port St. Lucie GIS Department

**City of Port St. Lucie, Florida
Special Assessment Districts
Last Ten Fiscal Years**

Fiscal Year	Special Assessments Billed	Special Assessments Collected	Delinquent Payments Collected	Prepayments, Partial Payments and Payoffs Collected
2007-08	\$ 20,209,498	\$ 19,545,433	\$ 18,480	\$ 829,289
2008-09	18,065,227	17,289,511	13,123	1,378,760
2009-10	17,818,605	16,873,137	129,031	1,226,490
2010-11 (1)	31,619,450	29,216,274	(23,730)	719,693
2011-12	31,511,275	28,553,832	636,766	478,509
2012-13	31,426,747	28,593,227	229,240	575,142
2013-14	31,305,098	28,299,746	389,096	450,273
2014-15	30,822,446	27,474,035	113,394	221,153
2015-16 (2)	30,741,967	27,577,255	205,733	4,990,994
2016-17 (3)	24,421,994	21,532,444	229,103	9,127,977
Ten Year Totals	\$ 267,942,307	\$ 244,954,894	\$ 1,940,236	\$ 19,998,280

(1) The negative delinquent collections is due to a 2006 tax certificate refund.

(2) The increase in the payoff for 15/16 is due to a payoff in the amount \$4,615,952 for Tesoro SAD

(3) The decrease in the annual billing for 16/17 is due to the SW Annexation District #1 bond refunding which decreased the annual billing by \$4.2 million. Additionally, the \$4.9 million payoff fiscal year 2016 resulted in a reduction of a number of accounts billed fiscal year 2017.

The above data is combined for fourteen (14) existing assessment districts.

Sources: City of Port St. Lucie Finance Department
St. Lucie County Tax Collector



"A City for All Ages"

CITY OF PORT ST. LUCIE, FLORIDA
Property Tax Levies and Collections
Last Ten Years

<u>Fiscal Year</u>	<u>Tax Roll Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections (1)</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u> (per Collection Year)
07-08	2007	\$ 55,001,379	\$ 53,076,166	96.5	\$(61,810)
08-09	2008	44,658,353	42,433,724	95.0	190,965
09-10	2009	36,841,021	35,107,786	95.3	304,047
10-11	2010	37,003,023	35,188,029	95.1	310,838
11-12	2011	37,036,486	35,064,715	94.7	137,607
12-13	2012	35,683,010	34,057,127	95.4	325,727
13-14	2013	36,157,559	34,601,262	95.7	257,734
14-15	2014	38,064,819	36,657,166	96.3	114,893
15-16	2015	47,796,206	45,796,707	95.8	68,453
16-17	2016	51,463,782	49,449,737	96.1	59,540

- (1) Current Tax Collections presented herein are through the County Tax Collector's Recapitulation date of June 30th.
- Includes Operating and Debt Service starting with the 2005 Tax Roll Year.
-Tax Roll Year is January 1st to December 31st.
-Municipality's Fiscal Year is October 1st to September 30th.

- (2) Does not include Delinquent Tax Collections per Collection Year column.

SOURCE: St. Lucie County Tax Collector Records.

Subsequent Year Collections (per Levy Year)	Total Collections to Date	
	<u>Amount</u>	<u>Percent of Levy (2)</u>
\$ 105,054	\$ 53,181,220	96.7
414,867	42,848,591	95.9
297,692	35,405,478	96.1
122,357	35,310,386	95.4
422,585	35,487,300	95.8
155,449	34,212,576	95.9
60,875	34,662,137	95.9
23,811	36,680,977	96.4
36,027	45,832,734	95.9
n/a	49,449,737	96.1



"A City for All Ages"

Debt Capacity142

These schedules present information to help the reader assess the affordability of the City of Port St. Lucie's current levels of outstanding debt and its ability to issue debt in the future.

CITY OF PORT ST. LUCIE
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

<u>Year</u> <u>Population</u>	<u>Governmental Activities</u>				
	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Revenue</u> <u>Bonds</u>	<u>Certificates</u> <u>of</u> <u>Participation</u>	<u>Special</u> <u>Assessment</u> <u>District</u>	<u>Tax</u> <u>Increment</u> <u>Financing</u>
2008 157,902	\$ 88,925,000	\$ 45,526,346	\$ 49,170,000	\$ 301,880,000	\$ 56,940,000
2009 155,251	88,725,000	41,052,910	48,040,000	296,640,000	56,400,000
2010 164,603	88,025,000	75,820,000	47,180,000	283,400,000	55,145,000
2011 166,041	87,075,000	72,205,000	45,475,000	267,230,000	53,825,000
2012 167,252	85,745,000	66,190,000	43,705,000	250,375,000	52,235,000
2013 167,252	86,097,580	61,000,250	41,999,842	229,859,857	51,356,944
2014 169,888	122,334,085	54,165,601	37,937,997	209,101,113	49,143,626
2015 174,132	119,026,232	49,755,832	35,893,855	195,991,443	46,839,299
2016 178,091	115,467,218	34,383,460	32,528,521	188,127,426	44,985,417
2017 181,284	110,710,552	86,802,381	-	148,651,083	41,737,854
		2017 Governmental Total		\$ 387,901,870	

NOTE: Premiums, discounts, and accreted interest are included in the debt amounts above starting with Fiscal Year 2013.

2017 at PAR (no prem/disc)	104,940,000	80,845,000	-	146,940,000	36,035,000
		2017 Governmental Total		\$ 368,760,000	

(1) Bond debt excludes bank loans and anticipation notes.

(2) See the Demographic and Economic Statistics worksheet in the Demographic and Economic section of the Statistical Section for Personal Income detail. Prior year detail revised each year by the federal BEA.

Business-Type Activities			Utility Debt Only Per Utility Customer	(1) Total Bond Debt Citywide	Total Debt Per Capita	(2) Total Debt Per Total Personal Income
Stormwater Bonds	Utility Revenue Bonds	Utility Customers				
\$ 12,380,000	\$ 431,987,736	68,906	\$ 6,269	\$ 986,809,082	\$ 6,250	5.61 %
12,130,000	447,939,040	69,417	6,453	990,926,950	6,383	6.11
47,875,000	444,871,195	69,884	6,366	1,042,316,195	6,332	6.31
47,600,000	441,645,505	70,164	6,294	1,015,055,505	6,113	5.71
47,220,000	435,762,047	70,432	6,187	981,232,047	5,867	5.08
47,471,004	439,988,545	70,905	6,205	957,774,022	5,727	5.02
46,437,195	427,078,731	71,335	5,987	946,198,348	5,570	4.56
45,387,349	413,937,471	71,964	5,752	906,831,481	5,208	4.09
44,324,544	400,160,674	73,194	5,467	859,977,260	4,829	3.78
43,238,902	386,817,955	74,758	5,174	817,958,727	4,512	n/a
Enterprise Total	\$ 430,056,857					
43,070,000	353,860,000	74,758	4,733	765,690,000	4,224	n/a
Enterprise Total	\$ 396,930,000					

CITY OF PORT ST. LUCIE
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

<u>Year</u>	<u>Population</u>	<u>Taxable Value</u>	<u>General Obligation Bonds Outstanding</u> (Includes Prem & Disc)	<u>G.O. Percentage of Taxable Value</u>	<u>General Obligation Debt per Capita</u>
2008	157,902	\$ 10,546,602,006	\$ 88,925,000	0.84%	\$ 563
2009	155,251	7,834,651,556	88,725,000	1.13	571
2010	164,603	6,743,501,077	88,025,000	1.31	535
2011	166,041	6,452,882,049	87,075,000	1.35	524
2012	167,252	6,326,660,101	85,745,000	1.36	513
2013	167,914	6,412,566,302	86,097,580	1.34	513
2014	169,888	6,760,091,239	122,334,085	1.81	720
2015	174,132	7,208,208,921	119,026,232	1.65	684
2016	178,091	7,916,495,089	115,467,218	1.46	648
2017	181,284	8,793,740,516	110,710,552	1.26	611
		2017 G.O. Debt at PAR	104,940,000	1.19	579

SOURCES: Population figures are from the Florida Office of Economic and Demographic Research. Taxable values are from St. Lucie County.

NOTE: A June, 2005 voter referendum was approved at 89% for the issuance of general obligation bonds, not to exceed \$165,000,000, for the construction of an east - west corridor through the City. The first bond series was issued in 2005 (\$50,706,844 w/prem), the second series was issued in 2006 (\$45,944,355 w/prem), and the third series was issued in 2014 (\$36,280,770 w/prem).

The remaining authorized issuance balance at par is shown above in the last three columns.

Total Voter Approved General Obligation Debt	Total General Obligation Issued	Remaining Approved General Debt
	(Without Prem & Disc)	(Without Prem & Disc)
\$ 165,000,000	\$ 93,830,000	\$ 71,170,000
165,000,000	93,830,000	71,170,000
165,000,000	93,830,000	71,170,000
165,000,000	93,830,000	71,170,000
165,000,000	93,830,000	71,170,000
165,000,000	93,830,000	71,170,000
165,000,000	126,730,000	38,270,000
165,000,000	126,730,000	38,270,000
165,000,000	126,730,000	38,270,000
165,000,000	126,730,000	38,270,000

CITY OF PORT ST. LUCIE, FLORIDA
Computation of Direct and Overlapping Bonded Debt
Governmental Bonds
September 30, 2017

Jurisdiction	Governmental Bonded Debt Outstanding	Percent Applicable To City (1)	Dollar Amount	
			Total Applicable To City	Per Capita Applicable To City (population = 181,284)
<u>Overlapping Debt :</u>				
ST. LUCIE COUNTY	\$ 140,274,472	46.61 %	\$ 65,381,931	\$ 361
ST. LUCIE COUNTY DISTRICT SCHOOL BOARD (2)	<u>256,181,000</u>	41.10	<u>105,290,391</u>	<u>581</u>
Overlapping Debt Totals	396,455,472		170,672,322	942
<u>Direct Debt :</u>				
CITY OF PORT ST. LUCIE	<u>387,901,870</u>	100.00	<u>387,901,870</u>	<u>2,140</u>
TOTAL OVERLAPPING AND DIRECT DEBT	<u>\$ 784,357,342</u>		<u>\$ 558,574,192</u>	<u>3,082</u>

(1) The percent applicable to the City is calculated using property taxable value ratios.

(2) School Board Year End is June 30. Exemptions for Economic Development and Additional Homestead are not included.

Sources: St. Lucie County Clerk of Circuit Court
St. Lucie County School Board
St. Lucie County Property Appraiser,
City of Port St. Lucie Finance Department

CITY OF PORT ST. LUCIE, FLORIDA
Revenue Bond Coverages
September 30, 2017

Sales Tax Refunding Bonds, Series 2008 and Series 2011			
Fiscal Year Ending	Local Government Half-Cent Sales Tax Revenue	Maximum Annual Debt Service Requirement	Debt Service Coverage
2008	\$ 5,357,939	\$ 2,223,750	2.41
2009	4,908,774	2,223,750	2.21
2010	4,729,330	2,223,750	2.13
2011	4,928,954	2,223,750	2.22
2012	5,245,628	2,181,113	2.41
2013	5,510,580	2,181,113	2.53
2014	6,039,906	2,181,113	2.77
2015	6,483,062	2,181,113	2.97
2016	6,817,675	2,181,113	3.13
2017	7,368,151	2,181,113	3.38

Public Service Tax Revenue Bonds, Series 2014 B			
Fiscal Year Ending	Electric Utility Tax Revenue	Maximum Annual Debt Service Requirement	Debt Service Coverage
2014	\$ 10,811,224	\$ 2,283,235	4.74
2015	11,193,318	1,323,194	8.46
2016	11,636,322	1,323,194	8.79
2017	12,035,953	1,323,194	9.10

CITY OF PORT ST. LUCIE, FLORIDA
Revenue Bond Coverage
Stormwater Utility System

Fiscal Year Ending September 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Stormwater Revenues:	\$ 22,305,048	\$ 21,220,834	\$ 20,522,362	\$ 20,281,050	\$ 20,094,776	\$ 19,315,669
Franchise Revenues:	<u>9,105,721</u>	<u>8,806,371</u>	<u>8,940,735</u>	<u>8,534,011</u>	<u>7,755,163</u>	<u>8,161,246</u>
Total Pledged Revenues:	31,410,769	30,027,205	29,463,097	28,815,061	27,849,939	27,476,915
Less: Operating Expenses: (1)	<u>18,237,800</u>	<u>15,925,681</u>	<u>16,429,532</u>	<u>15,761,175</u>	<u>15,645,467</u>	<u>18,001,709</u>
Total Net Pledged Revenues:	<u>\$ 13,172,969</u>	<u>\$ 14,101,524</u>	<u>\$ 13,033,565</u>	<u>\$ 13,053,886</u>	<u>\$ 12,204,472</u>	<u>\$ 9,475,206</u>
Stormwater Revenues less Operating Expenses: (1)	\$ 4,067,248	\$ 5,295,153	\$ 4,092,830	\$ 4,519,875	\$ 4,449,309	\$ 1,313,960
Annual Debt Service Requirements on Series 2010 A&B and Series 2011 Bonds:	\$ 3,972,245	\$ 3,985,849	\$ 3,988,449	\$ 3,902,319	\$ 3,409,248	\$ 3,988,449
Debt Service Coverage Based on Total Pledged Revenues:	7.91	7.53	7.39	7.38	8.17	6.89
Debt Service Coverage Based on Total Net Pledged Revenues:	3.32	3.54	3.27	3.35	3.58	2.38

(1) Excludes depreciation expense.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 19,219,609	\$ 19,019,552	\$ 16,480,343	\$ 15,132,862
<u>7,656,194</u>	<u>7,987,044</u>	<u>8,627,252</u>	<u>8,363,948</u>
26,875,803	27,006,596	25,107,595	23,496,810
<u>15,726,612</u>	<u>14,467,667</u>	<u>14,193,932</u>	<u>15,173,434</u>
<u>\$ 11,149,191</u>	<u>\$ 12,538,929</u>	<u>\$ 10,913,663</u>	<u>\$ 8,323,376</u>
\$ 3,492,997	\$ 4,551,885	\$ 2,286,411	\$ (40,572)
\$ 3,988,449	\$ 4,046,274	\$ 1,436,250	\$ 1,436,250
6.74	6.67	17.48	16.36
2.80	3.10	7.60	5.80

CITY OF PORT ST. LUCIE, FLORIDA
Revenue Bond Coverage
Water and Sewer Utility System Revenue Bonds

Fiscal Year Ending September 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Operating Revenues						
Charges for Services	\$ 74,648,584	\$ 71,447,324	\$ 66,308,665	\$ 64,285,901	\$ 61,237,657	\$ 58,708,951
Misc. Revenues	137,346	85,911	100,123	72,193	1,163,867	398,903
Total Operating Revenues	<u>74,785,930</u>	<u>71,533,235</u>	<u>66,408,788</u>	<u>64,358,094</u>	<u>62,401,524</u>	<u>59,107,854</u>
Operating Expenses (1)	<u>32,841,068</u>	<u>30,306,559</u>	<u>31,105,811</u>	<u>29,870,425</u>	<u>28,489,427</u>	<u>28,127,327</u>
Net Operating Revenues	41,944,862	41,226,676	35,302,977	34,487,669	33,912,097	30,980,527
Other Revenues						
Interest Income	711,999	456,251	496,409	371,284	425,139	716,172
Guaranteed Revenues	<u>128,347</u>	<u>137,440</u>	<u>213,470</u>	<u>478,785</u>	<u>390,250</u>	<u>193,163</u>
Total Other Revenues	<u>840,346</u>	<u>593,691</u>	<u>709,879</u>	<u>850,069</u>	<u>815,389</u>	<u>909,335</u>
Total Net Revenue Available	<u>\$ 42,785,208</u>	<u>\$ 41,820,367</u>	<u>\$ 36,012,856</u>	<u>\$ 35,337,738</u>	<u>\$ 34,727,486</u>	<u>\$ 31,889,862</u>
Debt Service Coverage						
Current Sub Accounts (2)	\$ 10,513,349	\$ 6,093,873	\$ 8,715,238	\$ 11,745,450	\$ 8,584,777	\$ 7,678,071
Debt Service Requirement	26,698,544	31,199,200	29,981,894	32,709,626	32,917,853	27,150,475
Coverage Test (3)						
Test 1a	1.60	1.34	1.20	1.08	1.05	1.17
Test 1b	2.00	1.54	1.49	1.44	1.32	1.46

Note: (1) Excludes Depreciation / Amortization Expense.

(2) The Capital Facilities Charge balances in the Capital Facility Fund, maxed at the debt service expansion component.

(3) Per standard Utility bond resolution terms, the Utility Bond Coverage Test 1a is Net Revenue / Debt Service and should be 1.00 or greater, or the Utility Bond Coverage Test 1b is Net Revenue + either Pledged CFCs or Current Sub Accounts / Debt Service and should be 1.10 or greater.

2011	2010	2009	2008
\$ 56,168,504	\$ 52,535,104	\$ 52,688,326	\$ 50,991,171
2,476,104	2,598,709	508,160	455,370
<u>58,644,608</u>	<u>55,133,813</u>	<u>53,196,486</u>	<u>51,446,541</u>
<u>29,069,871</u>	<u>31,393,224</u>	<u>30,892,393</u>	<u>29,345,994</u>
29,574,737	23,740,589	22,304,093	22,100,547
1,133,271	1,275,227	6,378,889	3,172,308
264,225	504,500	645,888	858,106
<u>1,397,496</u>	<u>1,779,727</u>	<u>7,024,777</u>	<u>4,030,414</u>
<u>\$ 30,972,233</u>	<u>\$ 25,520,316</u>	<u>\$ 29,328,870</u>	<u>\$ 26,130,961</u>
\$ 6,670,510	\$ 3,959,931	\$ 3,403,200	\$ 7,081,327
25,307,749	25,129,341	26,232,845	25,288,540
1.22	1.02	1.12	1.03
1.49	1.17	1.25	1.31

Demographic and Economic.....152

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City of Port St. Lucie's financial activities take place.

CITY OF PORT ST. LUCIE, FLORIDA

Population Statistics

Last Ten Years

<u>Year</u>	<u>City of Port St. Lucie, Florida</u>			<u>County of St. Lucie, Florida</u>			<u>City Population as a Percent of County</u>
	<u>Population Number</u>	<u>Number Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>	<u>Population Number</u>	<u>Number Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>	
2008	157,902	2,587	1.7%	276,585	4,624	1.7%	57.1%
2009	155,251	(2,651)	(1.7)	272,864	(3,721)	(1.3)	56.9
2010	164,603	9,352	6.0	277,789	4,925	1.8	59.3
2011	166,041	1,438	0.9	279,696	1,907	0.7	59.4
2012	167,252	1,211	0.7	280,355	659	0.2	59.7
2013	167,914	662	0.4	281,151	796	0.3	59.7
2014	169,888	1,974	1.2	282,821	1,670	0.6	60.1
2015	174,132	4,244	2.5	287,749	4,928	1.7	60.5
2016	178,091	3,959	2.3	292,826	5,077	1.8	60.8
2017	181,284	3,193	1.8	297,634	4,808	1.6	60.9
Ten Year Growth		<u><u>25,969</u></u>	16.7		<u><u>25,673</u></u>	9.4	City Growth as a Percent of County Growth 101.2

SOURCES: Florida Office of Economic and Demographic Research.
Population data is estimated as of April 1st for each year listed
except for year 2010 which used actual census figures.

CITY OF PORT ST. LUCIE, FLORIDA
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>(1)</u> Personal Income (000's)	<u>(1)</u> Per Capita Income	<u>(2)</u> Public School Enrollment	<u>(1)</u> Unemployment Percentage
2008	\$ 17,591,126	\$ 42,132	24,176	9.8%
2009	16,208,318	38,605	23,968	13.6
2010	16,522,776	38,853	26,352	13.2
2011	17,788,989	41,505	25,543	11.9
2012	19,297,764	44,601	25,929	10.1
2013	19,071,063	43,603	26,045	9.2
2014	20,761,472	46,731	26,327	7.3
2015	22,196,356	48,879	26,266	6.0
2016	22,726,490	48,852	26,299	5.7
2017	n/a	n/a	26,755	4.0

(1) Prior year revisions included per U.S. Department of Labor.

(2) Starting in 2010, includes Savanna Ridge, Renaissance, and Nau Charter schools. Starting in 2011, includes Palm Point Charter.

NOTE: Public school and unemployment figures include Port St. Lucie only. All other figures cover the Port St. Lucie Metropolitan Statistical Area (MSA).

SOURCES: St. Lucie County Public School System
U.S. Department of Labor

CITY OF PORT ST. LUCIE, FLORIDA
Principal Employers in St. Lucie County
2017 and 2007

	<u>2017</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percent of Total Jobs</u>	<u>Employees</u>	<u>Rank</u>	<u>Percent of Total Jobs</u>
St. Lucie School Board	5,471	1	7.19%	5,173	1	8.03 %
Indian River State College	2,338	2	3.07	1,647	5	2.56
Lawnwood / HCA Medical	2,305	3	3.03	1,046	10	1.62
Wal-Mart Retail and Distribution	2,253	4	2.96	3,129	2	4.86
St. Lucie County	1,686	5	2.22	2,068	3	3.21
Publix	1,466	6	1.93	1,284	6	1.99
Aegis Communications	1,200	7	1.58	-	-	-
City of Port St. Lucie	1,050	8	1.38	1,232	7	1.91
Martin Health System	850	9	1.12	-	-	-
Convey Health Solutions	450	10	0.59	-	-	-
Liberty Healthcare Group, Inc.	-	-	-	1,753	4	2.72
Q V C	-	-	-	1,081	8	1.68
Riverside Bank	-	-	-	1,062	9	1.65
Total Top Ten	<u>19,069</u>		<u>25.08</u>	<u>19,475</u>		<u>30.23</u>
Total Jobs Available	76,044			64,420		

SOURCES: Economic Development Council (EDC) of St. Lucie County
Florida Department of Economic Opportunity
City of Port St. Lucie Payroll Department
St. Lucie County Consolidated Annual Financial Report

NOTE: State and Federal employers not ranked.
Information is for St. Lucie County. Specific City only information not available.
This information uses most recent County and EDC data available.

CITY OF PORT ST LUCIE, FLORIDA
Construction Values
Last Ten Fiscal Years

<u>Year</u>	<u>Construction</u>			
	<u>Residential</u>		<u>Commercial</u>	
	<u>Number of Units</u>	<u>Value</u>	<u>Number of Units</u>	<u>Value</u>
2008	609	\$ 74,176,293	407	\$ 95,398,929
2009	197	14,978,683	290	61,687,034
2010	198	15,955,030	322	72,674,854
2011	188	20,315,132	245	52,119,534
2012	162	20,568,540	279	96,402,278
2013	430	50,306,661	292	59,575,324
2014	836	103,680,020	276	21,290,019
2015	928	121,984,614	353	42,343,799
2016	1,165	180,388,212	328	163,062,804
2017	1,492	207,284,671	367	57,745,656
<u>Current Year Increase (Decrease) over Prior Year</u>				
Quantity & Amount	327	\$ 26,896,459	39	\$ (105,317,148)
Percent Change	28.1%	14.9%	11.9%	-64.6%

Source: City of Port St. Lucie Building Department.
The construction permit data switched from calendar year
(January 1 - December 31) to fiscal year (October 1 - September 30)
starting with Year 2011 figures.

Operating Information.....156

These schedules contain service and infrastructure data to help the reader understand how the information in the City of Port St. Lucie's financial report relates to the services provided and the activities performed.

CITY OF PORT ST. LUCIE, FLORIDA

Employees - Full Time Equivalents by Function / Program

Last Ten Fiscal Years

Budgeted Full Time Equivalent Employees per Fiscal Year

Function / Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government	135.16	121.40	115.16	107.68	137.22	132.97	127.16	144.26	166.61	169.14
Public Safety	373.00	366.13	350.75	350.50	312.72	300.72	308.63	364.55	393.46	398.08
Physical Environment	14.00	14.00	14.00	14.00	14.00	14.00	14.00	16.00	16.00	15.75
Transportation	66.00	58.00	51.00	51.65	51.65	65.50	68.50	80.00	89.00	91.00
Economic Environment	7.86	6.48	7.40	7.38	6.82	10.04	10.02	9.38	8.58	8.58
Human Services	12.00	11.00	11.00	11.00	11.00	13.00	14.00	16.00	18.00	20.00
Culture and Recreation	123.05	118.80	117.09	115.99	113.79	114.84	112.77	138.25	151.59	130.09
Utility Systems	249.00	249.00	244.50	245.10	249.60	250.10	250.00	272.00	305.50	306.31
Stormwater Utility	61.00	61.00	67.50	67.50	67.00	61.25	60.50	66.00	66.00	65.00
Golf Course	9.38	9.38	9.38	9.63	9.33	9.33	17.33	20.33	22.76	22.76
Totals	<u>1,050.45</u>	<u>1,015.19</u>	<u>987.78</u>	<u>980.43</u>	<u>973.13</u>	<u>971.75</u>	<u>982.91</u>	<u>1,126.77</u>	<u>1,237.50</u>	<u>1,226.71</u>

SOURCE: Annual Budget

NOTE: Building Department moved from General Government to Public Safety in FY 2014.

CITY OF PORT ST. LUCIE, FLORIDA

Departmental Operating Indicators

Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
City Council (1)										
Council Meetings	42	46	50	52	52	40	44	52	60	60
Boards & Committee Mtgs.	134	162	121	185	185	180	180	180	180	180
City Clerk										
Records Requests	1,512	1,318	1,356	1,028	1,560	1,779	1,196	1,309	2,200	2,200
Ordinances & Resolutions	191	204	250	245	203	210	193	249	315	315
Legal Notices Posted	436	325	275	295	325	330	354	328	375	375
Finance Department (1)										
Accounts Payable Checks	10,627	10,350	11,165	15,393	15,957	14,640	11,774	12,246	13,876	13,876
Wire & Electronic Transfers	6,094	5,658	5,592	535	582	471	586	742	696	696
Journal Entries	11,246	11,435	12,338	13,700	13,589	13,759	15,504	16,834	18,145	18,145
Business Tax Applications	7,304	8,300	9,100	7,600	8,200	7,587	7,649	9,000	9,300	9,800
Human Resources										
Employment Applications Processed	5,844	5,289	4,099	5,200	3,500	3,000	2,500	3,000	2,000	6,000
Neighborhood Services										
Housing Assistance (# of families)	36	20	40	74	96	58	68	34	38	64
Code Cases	7,216	7,898	8,681	9,582	12,946	10,000	8,499	10,182	16,230	12,849
Code Board Hearings	499	754	621	994	1,162	300	213	656	915	1,065
Information Technology (1)										
Servers Maintained (incl. virtual)	139	148	145	145	62	62	45	45	45	52
Workstations Maintained	3,136	2,686	2,328	2,373	1,017	1,092	870	870	836	1,300
Work Orders Completed	7,376	5,828	4,976	4,429	4,200	4,023	2,500	2,500	2,411	2,500
Management & Budget										
Budget Amendments	4	4	3	3	3	3	3	3	2	2
Procurement Management (1)										
Requests for Proposals	274	205	145	120	30	14	28	45	38	38
Contracts Maintained	4,675	4,695	837	1,700	1,680	1,500	1,140	1,152	900	900
Animal Control										
Animal Cases	7,414	7,138	7,128	7,496	6,776	7,529	7,528	8,231	7,843	8,093
Animal Licenses	11,374	11,672	7,010	9,811	10,626	10,301	10,027	11,996	11,952	11,601
Planning Department										
Plans and Petitions Reviewed	99	95	77	114	78	87	91	91	86	156
Comprehensive Plan Amendments	11	14	5	9	5	6	7	11	11	25

CITY OF PORT ST. LUCIE, FLORIDA

Departmental Operating Indicators (continued)

Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Police Department (1)										
Arrests	4,483	3,887	3,893	3,948	3,445	3,155	2,452	4,869	4,869	4,692
Traffic Citations Issued	6,349	11,098	4,434	9,538	10,881	10,371	8,864	20,054	20,054	28,600
Calls for Service	131,782	142,023	110,647	110,013	113,122	108,686	154,749	151,376	151,376	160,400
Parking Tickets	262	726	211	352	399	544	275	1,135	1,135	1,900
Municipal Garage										
Vehicle Accidents	118	139	81	89	83	97	90	136	152	144
Parks & Recreation Department										
Parks Maintained	47	47	46	36	36	34	34	34	34	34
Recreation Programs	1,622	1,795	1,650	1,588	1,588	1,812	1,051	901	924	901
Acres Maintained	4,616	4,017	4,012	3,985	885	797	797	797	797	400
Engineering Department (1)										
Residential Plot Plans Reviewed	1,089	1,231	1,125	912	734	359	371	338	369	949
Site Plans Reviewed	198	174	163	222	144	113	132	23	22	120
Mark & Locates	3,117	3,604	2,731	3,015	3,015	1,794	1,758	2,968	3,757	4,554
Public Works (1)										
Swale Improvements (linear feet)	53,900	78,610	106,843	26,590	126,590	149,880	151,105	126,160	159,300	135,117
Canal Drainage Mnt. (miles)	10	24	33	31	31	39	26	27	30	19
Street Paving (overlay miles)	17	16	8	9	5	17	18	20	21	29
Building Department										
Permits Issued	20,265	15,269	12,675	10,609	10,609	3,753	8,112	8,138	8,241	13,851
Plans Reviewed & Approved	13,592	8,985	7,712	7,956	7,956	1,429	7,449	7,150	8,241	13,851
Total Dwelling Units	1,572	900	590	491	491	54	188	255	450	682
Utility Department										
Underground Locates	14,192	12,439	8,268	8,539	6,406	6,756	7,176	10,372	11,241	65,000
Water Mains Maintained (miles)	1,238	1,233	1,230	1,225	1,220	1,219	1,214	1,204	1,193	1,148
Sewer Mains Maintained (miles)	1,053	1,048	1,045	1,038	1,036	975	1,035	1,023	1,021	1,017
Water Treatment Capacity (mgd)	41.65	41.65	41.65	41.65	41.65	41.65	41.65	41.65	41.65	41.65
Sewer Treat. Plant Cap (mgd)	18.00	16.93	16.93	18.00	18.00	18.00	18.00	16.93	19.07	13.07

(1) Some previous year's values revised.

SOURCE: Annual Budget

CITY OF PORT ST. LUCIE, FLORIDA

Capital Asset Statistics

Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Police Department										
Stations	2	2	2	2	2	3	3	3	3	2
Police / Public Safety Vehicles	362	354	343	301	307	290	293	300	285	305
Average Total Mileage per Veh.	71,485	73,031	73,739	76,939	84,482	78,211	68,755	65,452	55,883	49,071
Municipal Garage										
Non-Public Safety Vehicles	403	386	382	358	362	374	372	387	409	416
Average Total Mileage per Veh.	72,947	71,981	73,606	74,786	77,591	71,786	65,500	60,474	58,736	52,611
Parks & Recreation Department										
Parks Maintained	47	47	46	36	36	34	34	34	34	34
Acres Maintained	4,616	4,017	4,012	3,985	885	797	797	797	797	400
Engineering										
Traffic Signals	162	161	157	158	157	150	146	146	130	114
Street Lights	6,578	6,488	6,387	6,228	5,968	5,534	5,185	4,692	4,380	3,331
Public Works										
Paved Streets (miles)	917	917	917	888	888	887	887	887	879	877
Utility Department										
Water Mains (miles)	1,238	1,233	1,230	1,225	1,220	1,219	1,214	1,204	1,193	1,148
Water Treatment Plants	2	2	2	2	2	2	2	2	2	2
Water Treatment Capacity (million gallons per day)	42	42	42	42	42	42	42	42	42	42
Wastewater Mains (miles)	1,053	1,048	1,045	1,038	1,036	975	1,035	1,023	1,021	1,017
Wastewater Treatment Plants	2	2	3	2	2	2	2	3	3	3
Wastewater treatment Capacity (million gallons per day)	18	17	17	18	18	18	18	17	19	13
Golf Course										
Municipal Golf Courses	1	1	1	1	1	1	1	1	1	1

SOURCE: Annual Budget ; Public Works and Finance Departments

City of Port St. Lucie, Florida
Utility System Statistics
Ten Largest Accounts FY 16-17

	<u>Customer</u>	<u>Account Type</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	<u>Percentage</u>
1	Tropicana Products, Inc.	Industrial	\$ 877,131	\$ 12,688	\$ 889,819	1.46 %
2	Wynne Building Corp.	Residential	255,093	441,788	696,881	1.14
3	Allied New Technologies	Industrial	489,333	-	489,333	0.80
4	St. Lucie County School Board	Institutional	233,683	242,733	476,416	0.78
5	Holiday Village of Sandpiper	Residential	161,722	269,260	430,982	0.71
6	Sanctuary at Winterlakes	Residential	109,876	276,964	386,840	0.63
7	FL Dept. of Corrections	Institutional	372,834	-	372,834	0.61
8	Midport Place Condominiums	Residential	130,142	224,065	354,207	0.58
9	HCA Health Services of FL	Medical	119,863	177,621	297,484	0.49
10	Creative Choice Homes	Residential	103,189	168,983	272,172	0.45
	Total of top ten		<u>\$ 2,852,866</u>	<u>\$ 1,814,102</u>	\$ 4,666,968	7.65
	Total of others				56,353,436	92.35
	Total of all customers				<u>\$ 61,020,404</u>	<u>100.00</u> %

Source - City of Port St. Lucie Utilities for the 12 months ending September 30, 2017.

Compliance Section

**Report of Independent Auditor on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Honorable Mayor and Members of the City Council
City of Port St. Lucie, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Port St. Lucie, Florida, (the “City”) as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated April 2, 2018. Our report includes a reference to another auditor who audited the financial statements of the City of Port St. Lucie Municipal Police Officers’ Retirement Trust Fund, as described in our report on the City’s financial statements. This report does not include the results of the other auditor’s testing of internal control over financial reporting or compliance and other matters that are reported on separately by the other auditor.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described as finding 2017-001 in the schedule of findings and questioned costs, which we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Cheryl Behr" followed by a stylized flourish.

Orlando, Florida
April 2, 2018

CITY OF PORT ST. LUCIE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
For the year ended September 30, 2017

Description	CFDA/ CSFA Number	Contract Grant Number	Expenditures
<u>FEDERAL AWARDS:</u>			
<u>U.S. Department of Housing and Urban Development</u>			
Direct Program:			
Community Development Block Grant			
Entitlement (14-15)	14.218	B-14-MC-12-0038	141,125
Entitlement (15-16)	14.218	B-15-MC-12-0038	911,172
Entitlement (16-17)	14.218	B-16-MC-12-0038	483,105
Neighborhood Stabilization Program (NSP-1)	14.218	B-08-MN-12-0025	31,154
Neighborhood Stabilization Program (NSP-3)	14.218	B-11-MN-12-0025	3,655
Total CFDA 14.218			<u>1,570,211</u>
<u>U.S. Department of Justice</u>			
Edward Byrne Justice Assistance Grant (JAG) Program	16.738	2017-JAGE-STLU-2-E8-009	6,467
Emergency Funding - Pulse Nightclub Response			
Total CFDA 16.738			<u>6,467</u>
Pass-Through Florida Office of the Attorney General			
Victims of Crime Act (VOCA)	16.575	VOCA-2016-City of Port St Lucie-00822	56,215
Total CFDA 16.575			<u>56,215</u>
<u>Federal Highway Administration (FHWA)</u>			
Crosstown Parkway Bridge Construction	20.205	ARE-70	17,585,374
Local Agency Participation Agreement (LAP)			
Darwin Blvd. Sidewalk Improvements	20.205	ARS-81	3,521
Local Agency Participation Agreement (LAP)			
Selvitz Rd Sidewalk Improvements LAP	20.205	G-0105	163,400
Local Agency Participation Agreement (LAP)			
Del Rio Blvd Sidewalk Improvements (LAP)	20.205	G-0938	498,296
Local Agency Participation Agreement (LAP)			
Cameo Blvd Sidewalk Improvements (LAP)	20.205	G-0709	245,716
Local Agency Participation Agreement (LAP)			
Total CFDA 20.205			<u>18,496,307</u>
<u>US Department of Homeland Security</u>			
Passed Through the Executive Office of the Governor:			
Disaster Relief - Hurricane Matthew (DR-4283)	97.036	17-PA-U5-10-66-01-127	3,303,351
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 23,432,551</u></u>
<u>STATE FINANCIAL ASSISTANCE:</u>			
<u>Florida Housing Finance Corporation:</u>			
Direct Program			
State Housing Initiatives Partnership Program	40.901	n/a	\$ 1,199,114
<u>State of Florida Department of Economic Opportunity</u>			
Direct Program			
Riverwalk Boardwalk Extension	40.038	HL043	\$ 250,000
<u>Florida Department of Transportation</u>			
Direct Program			
Port St. Lucie Intermodal Transit Facility -	55.014	AQL-41	60,628
Joint Participation Agreement (JPA)			
Litter Control and Prevention	55.003	GOH21	15,000
Local Agency Participation Agreement (LAP)			
TOTAL STATE FINANCIAL ASSISTANCE			<u>1,524,742</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS & STATE FINANCIAL ASSISTANCE			<u><u>\$ 24,957,293</u></u>

CITY OF PORT ST. LUCIE, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
For the year ended September 30, 2017

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance was prepared to summarize the activity of all federal and state awards of the City of Port St. Lucie, Florida for the year ended September 30, 2017. For purposes of this schedule, federal programs and state financial assistance included all grants entered into directly between the City and agencies and departments of the federal or state government with expenditures during the fiscal year. Federal programs and state financial assistance passed through from other government agencies are also included in the schedule. The schedule also includes reimbursements in the current year if qualifying expenditures were incurred by the City in prior years' but were determined to be qualifying for reimbursement and received in the current year.

NOTE B – PROGRAM INCOME

The federal expenditures presented in the Schedule of Expenditures of Federal Awards and State Financial Assistance for the City of Port St. Lucie, Florida include expenditures funded by program income. The following schedule shows total grant-related expenditures and their funding source for HUD grants, as these are the only grants with program income.

Program Title	Federal CFDA Number	Expenditures
Neighborhood Stabilization Program (NSP 1)	14.218	
Federal expenditures funded by program income		\$ 31,154
Total grant-related expenditures reported on SEFA		<u>\$ 31,154</u>
Neighborhood Stabilization Program (NSP 3)	14.218	
Federal expenditures funded by program income		\$ 3,655
Total grant-related expenditures reported on SEFA		<u>\$ 3,655</u>

NOTE C – CONTINGENCY

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by a grantor agency as a result of such audit, any claim for reimbursement to the grantor agencies would become a liability of the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

NOTE D – INDIRECT COST RATE

The City did not elect to utilize the 10% de minimis indirect cost rate.

**Report of Independent Auditor on Compliance for Each Major Federal
Awards Program and State Financial Assistance Project and on Internal
Control Over Compliance Required by Uniform Guidance and
Chapter 10.550, Rules of the Auditor General**

To the Honorable Mayor and Members of the City Council
City of Port St. Lucie, Florida

Report on Compliance for Each Major Federal Program and State Financial Assistance Project

We have audited the City of Port St. Lucie, Florida's (the "City's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the State of Florida Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on the City's major federal programs and state financial assistance project for the year ended September 30, 2017. The City's major federal programs and state financial assistance project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state financial assistance project.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal programs and state financial assistance project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General. Those standards, Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal programs or state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for its major federal programs and state financial assistance project. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program and State Financial Assistance Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs and state financial assistance project for the year ended September 30, 2017.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal programs and state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal programs and state financial assistance project and to test and report on internal control over compliance in accordance with Uniform Guidance and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state financial assistance project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state financial assistance project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state financial assistance project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Handwritten signature of Cheryl Behrman in black ink.

Orlando, Florida
April 2, 2018

CITY OF PORT ST. LUCIE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECT

YEAR ENDED SEPTEMBER 30, 2017

Part I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:	<u>Unmodified</u>	
Internal control over financial reporting:		
Material weakness(es) identified?	<u> x </u> yes	<u> </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> x </u> none reported
Noncompliance material to financial statements noted?	<u> </u> yes	<u> x </u> no

Federal Awards and State Project Section

Internal control over major programs:		
Material weakness(es) identified?	<u> </u> yes	<u> x </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> x </u> none reported
Type of auditor's report on compliance for major federal programs and state project:	<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) and/or Chapter 10.550?	<u> </u> yes	<u> x </u> no

CITY OF PORT ST. LUCIE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECT

YEAR ENDED SEPTEMBER 30, 2017

Part I - Summary of Auditor's Results (continued)

Federal Awards and State Project Section (continued)

Identification of major federal programs and state project:

Federal Programs:

Name of Program or Cluster	CFDA Number
U.S. Department of Housing and Urban Development Community Development Block Grant	14.218
U.S. Department of Homeland Security Disaster Grants - Public Assistance	97.036

State Project:

Name of Project	CSFA Number
Florida Housing Finance Corporation State Housing Initiatives Partnership Program	40.901

Dollar threshold used to determine Type A programs:

Federal	\$ 750,000
State	\$ 300,000

Auditee qualified as low-risk auditee for federal purposes? x yes no

CITY OF PORT ST. LUCIE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECT

YEAR ENDED SEPTEMBER 30, 2017

Part II - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

Finding 2017-001
Material Weakness

Criteria: The City should record all transactions of the fiscal year in accordance with Generally Accepted Accounting Principles ("GAAP").

Condition: The City did not include the Vaccine and Gene Therapy Institute ("VGTI") property received in August 2017 in its financial statements as of September 30, 2017 and for the year then ended. The property should have been recorded as an asset held for resale at the time the property was transferred to the City.

Cause: The asset was not recorded upon receipt of title and was subsequently forgotten during the fiscal year close.

Effect: Assets, revenues, and ending net position of the City were understated by an estimated \$12,000,000, prior to audit adjustment.

Recommendation: We recommend the City record all donated and similarly received assets in a timely manner upon receipt to ensure all assets are captured in the financial statements.

Views of Responsible Officials: The City agrees with the recommendation. The Court transferred title of the building from the Receiver to the City. Finance staff was aware of the transfer and should have noted an adjustment would be necessary to record an asset held for resale in the entity-wide financial statements.

Part III - Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major federal programs, as required to be reported by 2 CFR 200.516(a).

There were no findings required to be reported by 2 CFR 200.516(a).

Part IV - State Project Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major state project, as required to be reported by Chapter 10.550, Rules of the Auditor General - Local Governmental Entity Audits.

There were no findings required to be reported by Chapter 10.550, Rules of the Auditor General - Local Governmental Entity Audits.

CITY OF PORT ST. LUCIE, FLORIDA
SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2017

Prior Audit Findings:

There were no audit findings in the prior year.



"A City for All Ages"

CITY OF PORT ST. LUCIE



FINANCE DEPARTMENT

Edwin M. Fry, Jr., CPA, CGFO, Finance Director/City Treasurer

In the Schedule of Financial Statement Findings, the following item was considered a material weakness:

Finding 2017-001

Condition: The City did not include the VGTI property received in August 2017 in its financial statements as of September 30, 2017 and for the year then ended. The property should have been recorded as an asset held for resale at the time the property was transferred to the City.

Recommendation: We recommend the City record all donated and similarly received assets in a timely manner upon receipt to ensure all assets are captured in the financial statements.

Corrective Action Plan:

The City Finance Director/City Treasurer, Edwin M. Fry, Jr., is ultimately responsible for ensuring all assets held for resale are recorded in the entity-wide financial statements at year end. The yearend checklist will be amended by April 6, 2018, to include the following:

Have all donated assets been reported at fair value in the appropriate category as either capital assets of the City if the asset will be used for City operations or as assets held for resale if the asset will not be used for City operations.

Independent Auditor's Management Letter

To the Honorable Mayor and Members of the City Council
City of Port St. Lucie, Florida

Report on the Financial Statements

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Port St. Lucie, Florida ("the City"), as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 2, 2018. We did not audit the financial statements of the Port St. Lucie Municipal Police Officers' Retirement Trust Fund ("MPORT"), a component unit of the City, which represent 53% and 51%, respectively, of the assets and additions of the pension trust funds. Those statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Port St. Lucie MPORT, is based solely on the report of the other auditor.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* ("Uniform Guidance"); and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Report of Independent Auditor on Compliance for Each Major Federal Awards Program and State Financial Assistance Project and on Internal Control over Compliance Required by Uniform Guidance and Chapter 10.550, Rules of the Auditor General; Schedule of Findings and Questioned Costs; and Report of Independent Accountant on Compliance with Local Government Investment Policies. Disclosures in those reports and schedule, which are dated April 2, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Refer to Note I in the notes to the financial statements regarding the creation of the City of Port St. Lucie. The City of Port St. Lucie included the following component units: the Port St. Lucie Governmental Finance Corporation was incorporated as a not for profit corporation on September 25, 1990 under the laws of the State of Florida under Chapter 617, Florida Statutes and as approved by the City Council by ordinance on August 23, 1990; the Community Redevelopment Agency was created by the City on February 12, 2001, pursuant to Part III, Chapter 163, Florida Statutes, which is classified as a dependent special district by the State of Florida; and the Municipal Police Officers' Retirement Trust Fund was originally established by the City in 1982 under the provisions of Chapter 185, Florida Statutes and more fully addressed in the City Charter under Section 32.77.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, the results of our tests did not indicate the City met any of the specified conditions of a financial emergency contained in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by the same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. Our comparison of these two reports resulted in no material differences.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.550, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.

A handwritten signature in black ink, reading "Cheryl Behr" followed by a stylized flourish.

Orlando, Florida
April 2, 2018

**Report of Independent Accountant on Compliance
With Local Government Investment Policies**

To the Honorable Mayor and Members of the City Council
City of Port St. Lucie, Florida

We have examined the City of Port St. Lucie, Florida's (the "City") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2017. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with the specified requirements.

In our opinion, the City complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2017.

The purpose of this report is to comply with the audit requirements of Section 218.415, Florida Statutes, and Rules of the Auditor General.



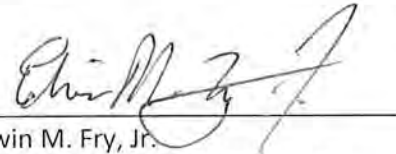
Orlando, Florida
April 2, 2018

AFFIDAVIT OF IMPACT FEE COMPLIANCE

BEFORE ME, the undersigned authority, personally appeared Edwin M. Fry, Jr., who being duly sworn, deposes and says on oath that:

1. I am the Financial Director/City Treasurer of the City of Port St. Lucie which is a local governmental entity of the State of Florida;
2. The City of Port St. Lucie adopted Ordinance No. 13-24 implementing a Public Buildings impact fee; Ordinance No. 13-25 implementing a Parks and Recreation impact fee; Ordinance No. 13-26 implementing a Road impact fee; and Ordinance No. 13-27 implementing a Law Enforcement impact fee.
3. The City of Port St. Lucie has complied and, as of the date of this Affidavit, Remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.



Edwin M. Fry, Jr.
Finance Director/City Treasurer

STATE OF FLORIDA
COUNTY OF ST. LUCIE

SWORN TO AND SUBSCRIBED before me on this 5th day of April, 2018.



NOTARY PUBLIC
Print Name Evelyn Rojas

Personally known ☒ or produced identification _____

Type of identification produced: _____

My Commission Expires:

April 22, 2021



"A City for All Ages"

